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FBIS-EAS-91-187 CONTENTS *26 September 1991*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Iraq Urged To Comply With UN on Nuclear Issue *[Tokyo TV]* 1
Kaifu on Authority Over UN Troop Participation *[KYODO]* 1
SDF Role in UN Excludes Using Military Force *[KYODO]* 1
Nakayama Returns From UN, G-7 Meetings *[KYODO]* 2
Finance Official Cautious Over Aid to USSR *[KYODO]* 2
Steel Firms Ready To Cooperate in China Venture *[KYODO]* 2
Economic, Trade Group Visits PRC, Meets Leaders *[cross-reference]* 2
Emperor, Empress Leave on 11-Day Asian Tour *[KYODO]* 2
Matsushita, Tandy To Set Up Joint U.S. Firm *[KYODO]* 3
Kawasaki Steel To Repair Brazilian Plant *[KYODO]* 3
Finance Minister Hashimoto To Resign *[KYODO]* 3
    Refuses To Discuss Resignation *[KYODO]* 4
Minister Stresses Revision of Securities Law *[KYODO]* 4
    Compromise Reached on Revision *[KYODO]* 5
    Diet Panel Passes Revision *[KYODO]* 5
Brokerage Clients Sought Compensation for Losses *[KYODO]* 5
Kanemaru To Endorse Kaifu LDP Reelection Bid *[KYODO]* 6
Banks To Lower Prime Lending Rate 'Next Week' *[KYODO]* 6
Aug Auto Exports Decline 1.4 Percent on Year *[KYODO]* 6
First Aegis Class Destroyer Launched *[KYODO]* 7

Mongolia

Small Hural Approves Proposal Recognizing Israel *[Beijing XINHUA]* 7

North Korea

DPRK, Lithuania Establish Diplomatic Relations *[Pyongyang Radio]* 7
U.S. Position on Nuclear Inspection Condemned *[KCNA]* 8
U.S., South Military Exercises 24 Sep Reported *[KCNA]* 8
Anniversary of DPRK-Japan Declaration Noted *[KCNA]* 8
Choson University of Japan Delegation Arrives *[KCNA]* 9
KCNA Delegation Leaves for Meeting in Japan *[KCNA]* 9
Kim Yong-sun Meets Australian Socialist Leader *[KCNA]* 9
Soviet Marchers Arrive in North Hamgyong Province *[KCNA]* 9
Paper Demands Release of Dissidents in South *[KCNA]* 10
Student Talks 'Foiled' by Seoul Authorities *[KCNA]* 10
Pyongyang Rally Denounces Death of ROK Student *[KCNA]* 10
Editorial Celebrates DPRK Founding Anniversary *[Pyongyang Radio]* 11
* Kim Chong-il Praised for Monument Design *[NODONG CHONGNYON 4 Jul]* 14
KCNA Reviews 26 Sep Pyongyang Press 16

South Korea

No Tae-u Discusses Reunification Prospects *[YONHAP]* 17
Soviet Ambassador Discusses Future Relations *[THE KOREA HERALD 26 Sep]* 18
Seoul, Moscow Announce Air Traffic Control Pact *[YONHAP]* 19
Hyundai To Establish Sales Area in Soviet Store *[THE KOREA BUSINESS TIMES 27 Aug]* 19

Kim Yong-sam Meets Japanese Party Leader *[YONHAP]* 19
Tokyo Agrees To Expand Imports From Seoul *[THE KOREA HERALD 20 Sep]* 19
PRC Charges of Illegal Oil Prospecting Denied *[YONHAP]* 20
PRC Seeks To Improve Relations Through Trade *[YONHAP]* 20
Official Views PRC Request for Landing Rights *[THE KOREA HERALD 26 Sep]* 20
Fisheries Official on PRC Violations of Waters *[THE KOREA HERALD 26 Sep]* 21
European Investments Show Increase for 1991 *[YONHAP]* 21
Foreign Investment Breaks Downward Slide *[THE KOREA BUSINESS TIMES 27 Aug]* 22
Goals, Progress of APEC Trade Bloc Reviewed *[THE KOREA BUSINESS TIMES 27 Aug]* 23
Kim Il-song Reportedly To Visit Beijing 4 Oct *[CHOSON ILBO 26 Sep]* 24
* Foreign Ideas Spread Among North Korean Youth *[HANGUK ILBO 23 Jul]* 24
* Kim Chong-il's Titles Analyzed *[CHUNGANG ILBO 1 Jul]* 25
North, South Pursue Tourism Development Project *[THE KOREA ECONOMIC WEEKLY 16 Sep]* 26
Chondaehyop To Participate in Assembly Elections *[HANGUK ILBO 18 Sep]* 27
Student Group Vows To Struggle for N-S Meeting *[THE KOREA HERALD 26 Sep* 27
Opposition Threatens To Boycott Assembly *[THE KOREA TIMES 24 Sep]* 27
Book Discusses Military, Defense Industry Faults *[THE KOREA HERALD 19 Sep]* 27
'Superfluous' Generals Waste Military Funds *[THE KOREA HERALD 26 Sep]* 28
* Local Elections Usher in Era of Conservatism *[CHUGAN CHOSON 21 Jul]* 29
Businessmen Arrested for 'Environmental Crimes' *[THE KOREA TIMES 24 Sep]* 32
Government Disciplines 1,753 Civil Servants *[YONHAP]* 32
Cabinet Finalizes 1992 Budget Bill *[YONHAP]* 32
Interview With EPB Minister on Monetary Policy *[THE KOREA ECONOMIC WEEKLY 9 Sep]* 33
Economic Measures Called 'Short Term' Remedy *[THE KOREA TIMES 20 Sep]* 33
Government Suspends Banque Indosuez Operations *[YONHAP]* 34
* Largest Labor Union Collapses at Pohang Steel *[CHUGAN CHOSON 25 Aug]* 35

SOUTHEAST ASIA

Burma

Health Minister Departs for WHO Meeting *[Rangoon TV]* 38
Rebels Say Government Planning 'Major' Offensive *[Bangkok BANGKOK POST 26 Sep]* 38
More NLD MP's Sign Notice on 'Exile Group' *[Rangoon Radio]* 38

Brunei, Malaysia, & Singapore

Malaysia

Mahathir Asks Freedom To Chart Country's Future *[BERNAMA]* 39
Mahathir Invites Increased U.S. Investment *[BERNAMA]* 39
Trade Deficit Widens by 50.4 Percent in Jun *[NEW STRAITS TIMES 21 Sep]* 40

Cambodia

Deputy Interior Minister Said To Commit Suicide *[Radio VONADK]* 40
New Industry Minister Assumes Duties *[Phnom Penh Radio]* 40
Hun Sen Discusses Flood Damage Situation *[SPK]* 40
General Staff Chief Greets Soviet Counterpart *[Phnom Penh Radio]* 41

Philippines

More on Bases Referendum, Withdrawal, Conversion 41
    Mitra Views Signature Campaign *[BUSINESS WORLD 24 Sep]* 41
    Lina Interviewed on Campaign *[Manila Radio]* 41
    Campaign Meets Legal Opposition *[MALAYA 26 Sep]* 42
    Lina Supports 7-Year Phaseout *[Manila Radio]* 43
    Maceda on Two-Year Withdrawal *[Manila Radio]* 43
    Five-Year Withdrawal Proposed *[BUSINESS WORLD 26 Sep]* 44

    Three-Year Withdrawal Said Enough *[Quezon City Radio]* ... 44
    Senate To Give Priority to Bill *[Manila Radio]* ... 45
    Salonga: Aquino Needs Guidance *[BUSINESS WORLD 26 Sep]* ... 45
    Notice To Be Issued 'Again' *[Quezon City Radio]* ... 46
    Malacanang Reconsiders Referendum *[Manila Radio]* ... 46
    Aquino Urged To Honor Constitution *[PHILIPPINES NEWSDAY 26 Sep]* ... 46
    Economic Predictions Criticized *[PHILIPPINE DAILY INQUIRER 26 Sep]* ... 47
Effects of U.S. Sugar Quota Cut Discussed *[THE CHRONICLE 26 Sep]* ... 47
French Agree To Forgive Debt in Relief Package *[Manila Radio]* ... 48
Japanese Group Says Development Plan Colonial *[DIYARYO FILIPINO 26 Sep]* ... 48
Armed Forces Work on Border Pact With Malaysia *[BUSINESS WORLD 6 Sep]* ... 49
Navy To Buy Ships From Spain, Australia, China *[BUSINESS WORLD 5 Sep]* ... 49
Laurel Asks for Amnesty for Military Rebels *[Manila Radio]* ... 50
Ramos Urges Caution in Mitra-Honasan Talks *[PHILIPPINE DAILY INQUIRER 26 Sep]* ... 50
Soviet Communism Fall Renews Communist Debate *[THE CHRONICLE 9 Sep]* ... 51
More Powers Granted Mindanao Autonomous Region *[PHILIPPINES NEWSDAY 26 Sep]* ... 52
CB To Buy Dollars To Influence Exchange Rate *[PHILIPPINES NEWSDAY 26 Sep]* ... 52
325 Towns To Benefit From Telephone Program *[PHILIPPINE DAILY INQUIRER 6 Sep]* ... 53
Coastal Communications Project Progress Noted *[MANILA BULLETIN 5 Sep]* ... 53

Thailand

Anan Interviewed on Return From PRC Trip *[Bangkok TV]* ... 54
Envoy on Investment, Trade Ties With PRC *[Bangkok Radio]* ... 54
Burma Queries Move To Set Up Holding Center *[THE NATION 26 Sep]* ... 55
Embassy in Phnom Penh To Begin Operation in Oct *[Bangkok VOFA]* ... 55
Retroactive Drug Protection Being Considered *[Bangkok VOFA]* ... 55
Interior Minister Warns Parties Against Unrest *[BANGKOK POST 26 Sep]* ... 55
Poll Shows Four Top Contenders for Premiership *[BANGKOK POST 26 Sep]* ... 56

Vietnam

Hanoi, Beijing Reestablish Telephone Link *[VNA]* ... 57
Forced Repatriation of Boat People Considered *[AFP]* ... 57
UNHCR To Reduce Returnee Payment Incentive *[AFP]* ... 58
Joint Venture To Produce Silk for Export Noted *[VNA]* ... 59
Ba Dinh Holds Party Organization Congress *[Hanoi Radio]* ... 59

Japan

Iraq Urged To Comply With UN on Nuclear Issue

OW2609124691 Tokyo NHK General Television Network in Japanese 1000 GMT 26 Sep 91

[Text] Hiroshi Ota, deputy vice foreign minister in charge of science and technology, summoned Iraqi Ambassador to Japan al- Rifa'i to the Foreign Ministry today in connection with the temporary detention of a UN nuclear inspection team by the Iraqi Government. He told the Iraqi ambassador that Japan is extremely dismayed by the Iraqi Government's obstruction to the latest UN nuclear inspection.

Mr. Ota also called on Iraq to accept the nuclear inspection. Saying that UN Security Council resolutions that stipulate Iraq's acceptance of inspection should be implemented completely and unconditionally, Mr. Ota urged the Iraqi Government to promptly implement the UN resolutions.

In response, Iraqi Ambassador al-Rifa'i said he will convey the Japanese Government's request to his home government.

Kaifu on Authority Over UN Troop Participation

OW2509125591 Tokyo KYODO in English 1238 GMT 25 Sep 91

[Text] Tokyo, Sept. 25 KYODO—Prime Minister Toshiki Kaifu said Wednesday that the authority of Japan's premier to command any future Japanese forces participating in U.N. peacekeeping operations would supersede that of the U.N. secretary general.

Kaifu made the remark at a session of the special committee of the House of Representatives on Japan's international peace cooperation, held to discuss bills aimed at allowing military personnel of the Self-Defense Forces (SDF) to participate in United Nations peacekeeping operations. The bills were submitted to the Diet last Thursday.

He said it would be up to Japan whether to withdraw Japanese forces from trouble spots in U.N. peacekeeping operations in the event of a failed ceasefire.

Koji Kakizawa, a member of the ruling Liberal Democratic Party (LDP), asked the government who would decide on withdrawal of Japanese forces if the preconditions for Japan's participation in U.N. peacekeeping operations, such as a truce pact, collapsed.

Kaifu replied that members of peacekeeping forces from Japan and personnel dispatched from the U.N. would discuss withdrawal at the time and on the spot.

Japanese forces would postpone their mission if a ceasefire were to fail, Kaifu said, adding he would order a withdrawal if peace could not be restored in a short period.

If the U.N. and Japan are divided over the withdrawal of peacekeeping forces, Japan's decisions vis-a-vis its own forces will take priority, Kaifu said.

He said he is convinced his plan to send military personnel to join U.N. peacekeeping forces will benefit Japan's neighbors.

"Japan's plan is aimed at maintaining peace in Asia in the future... I believe that this is in the interest of Asia, and I plan to explain this and obtain understanding," Kaifu said.

"I believe the day will come when Asian countries will be able to discuss how to join together to participate in peacekeeping forces, and how to divide up their roles," Kaifu said.

He was answering questions on how Japan plans to respond to concerns expressed by China and South Korea on the U.N. peacekeeping bills, which would allow deployment overseas of armed military personnel for the first time since World War II.

As for the use of weapons by Japanese forces, Shigeru Hatakeyama, director of the Defense Agency's Defense Policy Bureau, said individual SDF members would decide and that there may be cases of systematic use of weapons depending on the situation.

Atsushi Kudo, director general of the cabinet Legislative Bureau, said the government has not changed its basic interpretation of the Constitution, which bans the use of force to settle international disputes.

SDF Role in UN Excludes Using Military Force

OW2609140791 Tokyo KYODO in English 1319 GMT 26 Sep 91

[Text] Tokyo, Sept. 26 KYODO—The Self-Defense Forces (SDF) proposed participation in United Nations peacekeeping forces will not include exertion of military power on warring parties, Cabinet Legislation Bureau Chief Atsuo Kudo said Thursday.

Kudo made the remark in reply in a question from Komeito Diet member Eisuke Yamada at a session of the House of Representatives' special committee on Japan's international peace cooperation.

The session was held to discuss bills aimed at allowing SDF personnel to participate in U.N. peacekeeping operations. The bills were submitted to the Diet on September 19.

Kudo cited the operation of U.N. forces in the 1960-1964 internal strife in the Congo, now Zaire, which began shortly after the country's declaration of independence from Belgium as an example of where Japanese troops would not participate.

During that civil war, the United Nations authorized their forces to use military force in an attempt to restore peace.

Prime Minister Toshiki Kaifu assured parliamentarians the dispatch of the SDF for U.N. peacekeeping would not violate the war-renouncing Constitution and in fact corresponds with its spirit.

Kaifu said U.N. peacekeeping forces have been dispatched to conflict areas on the condition warring parties have agreed on ceasefires and accepted the dispatch of the forces to the areas on the basis of U.N. resolutions.

He said they have been neutral in conflicts and have never, in principle, put armed pressure on warring parties.

Responding to a question from Yamada on the use of arms, Kudo said SDF personnel will not fire weapons except in self-defense.

Kudo said Japan will withdraw the SDF from U.N. peacekeeping forces if ceasefires are broken in conflicted areas.

Kaifu said the government will devise detailed standards to pull the SDF out in such cases.

Defense Agency Chief Yukihiko Ikeda said SDF members would be allowed to carry pistols, rifles, and machine guns, and use armored vehicles, the same as other participants.

Ikeda said SDF personnel will be able to individually judge if they need to use their weapons in order to defend themselves.

Nakayama Returns From UN, G-7 Meetings

OW2609081291 Tokyo KYODO in English 0753 GMT 26 Sep 91

[Text] Tokyo, Sept. 26 KYODO—Japanese Foreign Minister Taro Nakayama returned Thursday from New York where he emphasized the central role of the United Nations in guaranteeing peace and met other Group of Seven (G-7) partners to discuss humanitarian aid to the Soviet Union.

During his five-day visit, Nakayama also met his counterparts from South Korea, China, and the Soviet Union, and Cambodian Prince Norodom Sihanouk.

Finance Official Cautious Over Aid to USSR

OW2609114191 Tokyo KYODO in English 1130 GMT 26 Sep 91

[Text] Tokyo, Sept. 26 KYODO—A top Financial Ministry [MOF] official suggested Thursday that Japan is still unwilling to give serious consideration to any financial assistance to the Soviet Union.

The official, who declined to be identified, said Japan's basic stance on aid to Moscow has not changed as a result of recent developments in the Soviet Union and elsewhere.

On emergency humanitarian aid to help the Soviet people through the coming winter, he said Tokyo will make a decision after studying a report that a Japanese fact-finding mission now investigating the state of the economy in the Soviet Far East is expected to bring home at the end of the month.

"The content of the report will determine our position," he said.

The official also said the recent decision by the Soviet Union to withdraw from Cuba is bound to have some impact on the U.S. attitude on the aid issue, saying "Cuba had been a real pain in the neck for the U.S."

Steel Firms Ready To Cooperate in China Venture

OW2609125091 Tokyo KYODO in English 1044 GMT 26 Sep 91

[Text] Tokyo, Sept. 26 KYODO—Major Japanese steel companies said Thursday they are prepared to become involved in constructing a steel plant in China.

According to news dispatches from Beijing on Wednesday, Chinese Premier Li Peng asked a visiting Japanese business mission for cooperation in construction of China's second integrated steel plant in Shijiusuo on the coast of Shandong Province.

The Japanese steel firms, including Nippon Steel Corp., said they would start feasibility studies on the project when a formal request is made by China.

However, the companies did not immediately respond to a joint- venture formula proposed by Li.

They said they would provide technological cooperation for the project while seeking funds from government-financed financial institutions, including the Export-Import Bank of Japan.

This was how Nippon Steel cooperated in the construction of China's first major steel project, the Baoshan steelworks plant in Shanghai.

Economic, Trade Group Visits PRC, Meets Leaders

WA2609121191

For reportage on the PRC visit of a delegation from the Japan-China Association on Economy and Trade led by Komatsu Ltd. Chairman Ryoichi Kawai, including talks with CPC General Secretary Jiang Zemin, President Yang Shangkun, and State Council Premier Li Peng, see the Northeast Asia section of the 25 September China DAILY REPORT and subsequent issues.

Emperor, Empress Leave on 11-Day Asian Tour

OW2609015991 Tokyo KYODO in English 0130 GMT 26 Sep 91

[Text] Tokyo, Sept. 26 KYODO—Emperor Akihito and Empress Michiko on Thursday morning left Haneda

Airport on a special Japan Airlines plane for an 11-day tour of Thailand, Malaysia, and Indonesia.

The imperial couple are scheduled to arrive in Bangkok later in the day to begin their visit to Thailand.

This is the first overseas visit for the emperor since he formally ascended the Chrysanthemum Throne last November. He is also the first reigning Japanese emperor to visit another Asian nation.

At the airport, Crown Prince Naruhito, other members of the imperial family, Prime Minister Toshiki Kaifu, House of Representatives Speaker Yoshio Sakurauchi, and others saw off the emperor and empress.

Former Foreign Minister Tadashi Kuranari, Grand Steward Shoichi Fujimori, and 32 other officials are accompanying the emperor and empress on the tour.

The emperor and empress will stay in Thailand until Monday, during which time they will also visit the historical town of Sukhothai and the northern city of Chiang Mai.

Prior to the departure, Kaifu made a farewell speech in a special guest room at the airport, saying "I pray that your majesties will enjoy a peaceful tour and return safe and sound."

Emperor Akihito thanked those who came to see them off, and said, "I will be delighted if the journey promotes friendly relations and mutual understanding by meeting with a king, a president, and various people in the nations visited. I hope to deepen my understanding of the three nations."

The Metropolitan Police Department mobilized 26,000 personnel and mounted a strict guard around the airport, highways, and imperial facilities against possible attacks by extremist groups.

Matsushita, Tandy To Set Up Joint U.S. Firm

OW2609044891 Tokyo KYODO in English 0311 GMT 26 Sep 91

[Text] Osaka, Sept. 26 KYODO—Matsushita Electric Industrial Co. announced Thursday it will set up a personal computer company in the United States with Tandy Corp.

PTCC Inc., to be based at Tandy headquarters in Fort Worth, Texas, will begin production next February using existing Tandy facilities.

The new company will be funded with 1.4 million dollars from an equal investment by Tandy and Matsushita.

PTCC will produce 32-bit and 16-bit notebook-sized computers for its parent companies at a rate of about 10,000 per month.

Matsushita and Tandy have already been cooperating through original equipment manufacturing (OEM) agreements.

Kawasaki Steel To Repair Brazilian Plant

OW2609031091 Tokyo KYODO in English 0225 GMT 26 Sep 91

[Text] Tokyo, Sept. 26 KYODO—Kawasaki Steel Corp. has agreed to join a major Brazilian steel manufacturer in a 20 billion yen project that will repair the Brazilian firm's eight-year-old blast furnace, a company spokesman said Thursday.

Kawasaki will work with two other Japanese firms, Marubeni Corp. and Ishikawajima-Harima Heavy Industries Ltd. (IHI), to provide engineering service for the repair work, scheduled to start in late 1993, at Companhia Siderurgica de Tubarao, the spokesman said.

According to the spokesman, major trading house Marubeni will provide 7 billion yen in loans for the project, while IHI will supply related equipment.

Kawasaki Steel and Marubeni are among 13 Japanese concerns who formed the Brazilian steel company. The firms' current holdings are 7.7 percent and 1.3 percent, respectively.

The blast furnace, which Kawasaki built eight years ago, is the largest of its kind in Latin America. The repair project will be the first major investment for the Brazilian firm since it started operations in 1983.

Brazilian authorities, trying to promote a privatization drive, have been asking Kawasaki and other Japanese investors to increase their stakes in the company.

Masashi Kawana, Kawasaki's vice president, visited Brazil earlier this month for talks with Brazilian officials about the issue, according to a company spokesman who did not provide further details.

Finance Minister Hashimoto To Resign

OW2609045391 Tokyo KYODO in English 0436 GMT 26 Sep 91

[Text] Tokyo, Sept. 26 KYODO—Finance Minister Ryutaro Hashimoto told the ruling Liberal Democratic Party (LDP) that he has decided to quit his post after annual meetings of the International Monetary Fund (IMF) and the World Bank scheduled for October 13-17 in Bangkok, LDP officials said Thursday.

Earlier, Hashimoto had indicated that he may resign as soon as the Diet passes an amendment to the Securities and Exchange Law.

Hashimoto said he decided to announce his resignation because the securities resolution is now expected to be passed, the officials said.

In early August, Hashimoto said he would resign to take responsibility for the current stock scandal and for the actions of his now dismissed private secretary. Hashimoto's secretary had been linked to a former Fuji Bank official who was arrested for allegedly forging deposit instruments.

Hashimoto will resign October 18 and Prime Minister Toshiki Kaifu will concurrently hold the post until a presidential election of the ruling Liberal Democratic Party (LDP) is held October 27, party sources said.

A top LDP leader said Hashimoto made the decision because his future political career would be damaged if he continues to stay in office.

Former Prime Minister Noboru Takeshita, Hashimoto's mentor, said he agrees with Hashimoto's decision to step down after attending a series of international meetings in Bangkok in mid-October.

Refuses To Discuss Resignation

OW2609120391 Tokyo KYODO in English 1142 GMT 26 Sep 91

[Text] Tokyo, Sept. 26 KYODO—Finance Minister Ryutaro Hashimoto refused to discuss reports he will resign, saying to do so would be impolite to the House of Councillors.

He told reporters that answering questions about the date of his widely expected resignation just before the upper house starts an investigation into the recent stock scandal would be rude to the legislature.

The Japanese press reported Thursday morning Hashimoto has decided to step down just after a meeting of finance ministers and central bankers of the Group of Seven industrial countries expected to be held October 12.

"Whether I am considering something or not, answering such a question now would be a big misdemeanor," he said.

Hashimoto is reportedly expected to resign to take responsibility for large-scale compensation of favored clients by security companies.

Minister Stresses Revision of Securities Law

OW2509122891 Tokyo KYODO in English 1149 GMT 25 Sep 91

[Following is a fuller version of an item published in the 25 September East Asia DAILY REPORT, page 8, column 2, headlined "Securities Law Revision Stressed"]

[Text] Tokyo, Sept. 25 KYODO—Finance Minister Ryutaro Hashimoto, expressing regret at the collapse of trust between the government and the securities industry over the recent compensation scandals, on Wednesday stressed the need to revise the law governing the industry.

Speaking at a special investigative panel of the House of Representatives, Hashimoto said the ministry has to resort to legal measures now that mutual trust between the two parties has collapsed.

He referred to the disclosure on Tuesday that the "big four" brokerage houses had continued to reimburse favored clients for stock investment losses after the ministry issued a directive against the practice in December 1989.

According to the ministry's report, the four major securities firms—Nomura, Daiwa, Nikko, and Yamaichi—paid out a total of 43.5 billion yen in kickbacks to their major customers in compensation in fiscal 1990, which ended March 31 this year.

Elaborating on the proposed revision of the Securities and Exchange Law, Nobuhiko Matsuno, director general of the ministry's Securities Bureau, told the same session that the changes will address unfair stock trading, manipulation, and dividends to investors in cases of equity financing by corporations.

Matsuno suggested there was no clear-cut definition of unfair stock trading and manipulation under the existing law.

Minoru Nagaoka, president of the Tokyo Stock Exchange, and Shogo Watanabe, chairman of the Japan Securities Dealers Association, who attended the session as special witnesses, said the securities industry is working to establish its own self-imposed rules to regulate loss compensation by brokerage houses.

Matsuno noted that large amounts of equity financing by corporations, a type of financing which requires issuance of new shares, had contributed to the plunge in share prices.

The Finance Ministry intends to call on businesses to raise their ratio of dividends to net profit, which is extremely low relative to those of U.S. and European companies.

Hashimoto expressed a similar view, saying "Japanese businesses do not fully return profits to their shareholders."

He made the remarks when Masao Hori, a Social Democratic Party member, said the recent loss-compensation scandals stem largely from business corporations' "profit-first" policy.

In the year ended March 31, the payout ratio at major nonfinancial companies stood low at 31.33 percent, down from the previous year's 31.7 percent, despite a strong growth in earnings, according to the National Conference of Stock Exchanges.

Compromise Reached on Revision

OW2509184091 Tokyo KYODO in English 1333 GMT 25 Sep 91

[Text] Tokyo, Sept. 25 KYODO—Ruling and opposition parties have reached a compromise on revision of the Securities and Exchange Law to prevent financial scandals, political sources said Wednesday.

The sources said the agreement enables a new law to be passed by both houses of the Diet by the end of the current session, which runs through October 4.

A compromise was reached on opposition proposals to modify some provisions in a new law worked out by the government during an informal meeting between ruling and opposition parties Wednesday, the sources said.

The ruling Liberal Democratic Party gave in to opposition demands that the new law ban bank accounts using false names, and impose heavy fines on corporations for violations to prevent scandals involving securities firms and banking institutions, they said.

As a result, they said, the revised law will be approved at the House of Representatives Special Committee on Securities and Financial Issues Thursday and by the chamber's plenary session Friday.

The provisions demanded by opposition parties will be reported by the committee's chairman at the plenary session Friday.

Four major opposition parties, the Social Democratic Party, the Komeito, the Japanese Communist Party and the Democratic Socialist Party, supported the process, the sources said.

Diet Panel Passes Revision

OW2609122991 Tokyo KYODO in English 1114 GMT 26 Sep 91

[Text] Tokyo, Sept. 26 KYODO—A bill revising the Securities and Exchange Law to prevent financial scandals was approved unanimously by a special panel of the House of Representatives on Thursday, clearing the way for its passage through the Diet at the current session, which ends on October 4.

Diet officials said the legislation will be passed at a plenary session of the lower house on Friday for further deliberation in the House of Councillors.

They said the bill is expected to be approved by the upper house next week.

The bill, proposed by the government with the backing of the ruling Liberal Democratic Party, was endorsed at the lower house's special committee on securities and financial problems which has been investigating the sweeping financial scandals involving brokerage houses and banks, the officials said.

They said a resolution accompanying the bill called for the government to review some provisions in the legislation, including heavy penalties against brokerage firms violating the law, establishment of a claim-tackling mechanism by the securities industry and the Tokyo Stock Exchange, and a ban on stock trading and bank deposits under false names.

The resolution also called on the government to study the possibility of liberalizing stock trading fees, the officials said.

The Finance Ministry plans to increase the amount of fines charged against corporations violating the law, sources in the ministry said.

The move will be incorporated in a new bill overhauling the law to be submitted to the Diet in its next regular session opening in January, the sources said.

Under the revised law passed by the lower house panel on Thursday, brokerage dealers found violating it will be liable to be punished by a maximum prison term of one year or a fine of up to 1 million yen.

Corporations seeking securities firms to compensate them for investment losses will be liable to up to six month's imprisonment or a fine of up to 500,000 yen.

The money paid to cover investment losses will be confiscated.

Brokerage Clients Sought Compensation for Losses

OW2609060591 Tokyo KYODO in English 0535 GMT 26 Sep 91

[Text] Tokyo, Sept. 26 KYODO—Finance Minister Ryutaro Hashimoto told the Diet Thursday that his ministry's investigation has found that clients of "Big Four" brokerages asked for compensation of their investment losses during the fiscal year which ended March 31.

Hashimoto's statement came two days after the finance minister revealed that the Big Four reimbursed clients for some 43.5 billion yen worth of losses during the fiscal year from April 1990 through March 1991.

Earlier, the four brokerages had denied paying reimbursements during the period.

Hashimoto was speaking before a House of Representatives special panel looking into securities and financial problems, including a series of scandals involving brokerages and banks.

Big Four refers to Nomura Securities Co., Daiwa Securities Co., Nikko Securities Co., and Yamaichi Securities Co.

In a related development, a senior ministry official told the same panel that three public organizations are among six investors who each received more than 1 billion yen in compensation from the big four during the same fiscal year.

Nobuhiko Matsuno, director general of the Securities Bureau, identified the three public entities as the Pension Welfare Service Pubic Corporation, the Police Personnel Mutual Aid Association, and the Mutual Aid Association of Public School Teachers.

Kanemaru To Endorse Kaifu LDP Reelection Bid

OW2609020491 Tokyo KYODO in English 0126 GMT 26 Sep 91

[Text] Tokyo, Sept. 26 KYODO—Former Deputy Prime Minister Shin Kanemaru indicated Wednesday night that he will endorse Prime Minister Toshiki Kaifu's bid to stay in power in October's ruling Liberal Democratic Party (LDP) presidential election.

The president of the most powerful LDP faction of former Prime Minister Noboru Takeshita [words indistinct] of the faction's member legislators, "Prime Minister Kaifu devotes himself completely to state affairs. We cannot ignore the fact that the public supporting rate (of Kaifu) is still high."

However, the influential LDP power broker added he has not yet decided his position for the coming party presidential election. Kanemaru said he won't unveil the final decision of the Takeshita faction until the current extraordinary Diet session ends on October 4.

At the meeting of five-time-elected members of the House of Representatives, Kanemaru highly appreciated Kaifu's running of state affairs to the best of his ability supported by the public opinion, although Kaifu lacks the strong basis of political power within the ruling party. Kaifu belongs to the smallest LDP faction, the No. 5 group organized by former State Minister Toshio Komoto.

Kanemaru said the age of electing a LDP president and prime minister solely with the logic of politicians maneuvering around Nagata-cho, where the Diet building is located, is over.

He also blamed a meeting in last March between former Finance Minister Kiichi Miyazawa and former LDP's Policy Affairs Council Chairman Michio Watanabe during which they showed moves to attacking Kaifu's responsibility for his handling of political measures following the outbreak of Persian Gulf war.

Miyazawa has already declared his intention to run for the presidential election while Watanabe reportedly is declaring his position after October 4.

Banks To Lower Prime Lending Rate 'Next Week'

OW2509133191 Tokyo KYODO in English 1312 GMT 25 Sep 91

[Text] Tokyo, Sept. 25 KYODO—Japanese banks will lower their prime lending rate next week, spawning expectations of another cut in the official discount rate, banking sources said Wednesday.

Sanwa Bank announced earlier in the day it will cut its short-term prime lending rate by 0.375 percentage point to an annual 7.0 percent from next Tuesday, a move expected to be quickly followed by other major commercial banks and trust banks.

The country's three long-term credit banks also decided to reduce their long-term prime rate by 0.6 point to 6.9 percent per annum, also effective Tuesday.

The simultaneous cuts will bring both the short-term and long-term prime rates, charged on lending to most creditworthy customers, to the lowest levels since early last year.

The moves came in response to the Bank of Japan's (BOJ) generous credit stance over the past month, which helped push down market rates, a basis for both prime rates.

The central bank expects the prime rate cut to give a thrust to corporate activities, which are visibly flagging under the hefty burden of high interest rates.

The official discount rate, which the BOJ charges on loans to banks, was last lowered on July 1 to an annual 5.5 percent.

The central bank's optimism, however, seems to be failing to allay concern in business circles over the economic future.

"The central bank's dithering over credit policy will only confuse the market," an official with a major commercial bank said.

An economist with the Fuji Research Institute also said the BOJ's easier credit stance on the money market is far from sufficient to encourage corporate managers to increase their spending on plants and equipment, one of the driving forces behind the current economic boom.

"The recent string of financial scandals have greatly cooled corporate activities to a point where they need a 'psychological boost' which only a discount rate cut can provide," he said.

Aug Auto Exports Decline 1.4 Percent on Year

OW2609082491 Tokyo KYODO in English 0804 GMT 26 Sep 91

[Text] Tokyo, Sept. 26 KYODO—Japan's motor vehicle exports in August declined 1.4 percent from a year earlier to 438,501, the Japan Automobile Manufacturers' Association reported Thursday.

The association said exports to the United States rose 0.8 percent to 171,163 vehicles, posting the first year-on-year increase in six months.

Association officials said Japanese automakers increased shipments of new models to the United States and the rise was not attributable to recovery of the U.S. auto market.

The association said exports to the European Community plunged 11.9 percent to 77,858 vehicles.

Shipments to the Middle East soared 65 percent to 34,319 vehicles, reflecting improvement of the market environment in the wake of the Persian Gulf war, the association said.

Exports to Latin America also jumped 72.2 percent to 16,104 vehicles.

Overall, the August exports were worth about 5.51 billion dollars, down 10.7 percent from the preceding month but up 7.5 percent from a year earlier, the officials said.

Passenger cars accounted for 338,867 vehicles, trucks for 95,118, and buses for 4,516.

The association said motorcycle exports totaled 103,124, up 40.3 percent over a year earlier but down 3.8 percent from the previous month.

In value, motorcycle exports amounted to 277.65 million dollars, up 41.8 percent from a year earlier and up 7 percent from the previous month, the association said.

First Aegis Class Destroyer Launched

OW2609054391 Tokyo KYODO in English 0509 GMT 26 Sep 91

[Text] Nagasaki, Sept. 26 KYODO—Japan's first Aegis destroyer was launched Thursday from the Koyagi shipyards of Mitsubishi Heavy Industries Ltd. on the outskirts of Nagasaki in western Japan.

The 7,200-ton new destroyer was named "Kongo" at a ceremony attended by Joint Staff Council Chairman Admiral Makoto Sakuma, Maritime Self-Defense Force Chief of Staff Admiral Fumio Okabe, Mitsubishi Heavy Industries President Kentaro Aikawa, and 180 other guests.

Construction on the destroyer started in May 1990 and the the destroyer will not be completed until March 1993, Defense Agency officials said.

The Aegis ship will carry a crew of 300 and a U.S.-developed integrated weapons system which combines computers, radars, and missiles to provide a defense umbrella.

The system is capable of automatically detecting, tracking, and destroying airborne, sea-launched, or land-launched weapons. The U.S. Navy commissioned its first aegis cruiser in 1983.

Kongo will be the biggest ship operated by the Maritime Self-Defense Force (MSDF), officials said, adding that the MSDF has ordered two more Aegis destroyers.

Opponents of the Aegis project staged an anti-war meeting in Nagasaki. Nagasaki University Assistant Professor Koichi Funakoe asked at the meeting, "Is it really necessary to build such an expensive weapon with a budget of some 120 billion yen amid lessening military tension around the world?"

Mongolia

Small Hural Approves Proposal Recognizing Israel

OW2509142691 Beijing XINHUA in English 1404 GMT 25 Sep 91

[Text] Ulaanbaatar, September 25 (XINHUA)—Mongolia's legislature today approved the government's proposal for establishing diplomatic relations with Israel.

The approval was given in the Small Hural, the country's supreme and standing body of state power, which opened its fourth session today.

The Small Hural will discuss and adopt about 20 bills such as a local autonomy law, land law and court institution law, according to Bjaraagiiu Chimid, secretary-general of the body.

Mongolian laws and a draft constitution would also be discussed at the session, Chimid said. On the proposal for Israel relations, Chimid said the two governments would discuss the specific date for it.

North Korea

DPRK, Lithuania Establish Diplomatic Relations

SK2609092991 Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 26 Sep 91

[Text] According to a report, a joint declaration on the establishment of diplomatic relations between the DPRK and the Lithuanian Republic was signed in Vilnius, capital of Lithuania, on 25 September.

The declaration reads: A Joint Declaration on the Establishment of Diplomatic Relations Between the DPRK and the Lithuanian Republic:

The Government of the DPRK and the Government of the Lithuanian Republic have agreed to form ambassadorial-level diplomatic relations and establish their embassies to develop friendly and cooperative relations between the two countries in all fields according to the ideals of independence, equality, mutual benefit, and noninterference in internal affairs.

[Signed] Son Song-pil, ambassador extraordinary and plenipotentiary to the Soviet Union, on authority of the Government of the DPRK.

[Signed] Valimars Katukus, first deputy minister of foreign affairs of the Lithuanian Republic, on authority of the Government of the Lithuanian Republic.

[Dated] 25 September 1991, Vilnius.

U.S. Position on Nuclear Inspection Condemned

*SK2609062091 Pyongyang KCNA in English
0420 GMT 26 Sep 91*

[Text] Pyongyang September 26 (KCNA)—Foreign papers published articles denouncing the United States' unjustifiable claim for a unilateral "nuclear inspection" of the DPRK.

The Malagasy paper BASY VAVA on September 16 in an article entitled "Inspection of U.S. Nuclear Weapons Deployed in South Korea Must Also Be Made" charged that the United States is avoiding the withdrawal of its nuclear weapons from South Korea and an inspection of them, while claiming a "nuclear inspection" of the DPRK which has no nuclear arms.

The United States must accept an inspection of its nuclear weapons deployed in South Korea and pull them out of there completely in compliance with the requirement of the times, stressed the paper.

The Danish paper ARBEJDEN recently demanded that the United States withdraw its nuclear weapons from South Korea. It noted that the United States and Japan, while demanding a "nuclear inspection" of North Korea, did not mention a word about inspection of the nuclear weapons in South Korea.

The Netherlandish paper MANIFEST September 12 said the tensions and the danger of nuclear war on the Korean peninsula are increasing as the United States is these days forcing a unilateral "nuclear inspection" of the DPRK, a non-nuclear state.

If the United States is to demand a "nuclear inspection" of the DPRK, it must accept an inspection of its nuclear weapons deployed in South Korea, first of all, and remove its nuclear threat against the DPRK, it emphasized.

U.S., South Military Exercises 24 Sep Reported

*SK2609071391 Pyongyang KCNA in English
0438 GMT 26 Sep 91*

[Text] Pyongyang September 26 (KCNA)—The U.S. Pacific Air Force command staged criminal joint aerial war exercises on September 24 with the Korean peninsula as the operational theatre, according to military sources.

More than 200 fighter-bombers and observation planes were mobilized in this war gambles committed repeatedly for long hours by the formations of fighter-bombers flown into the Korean peninsula from Japan proper and the Pacific bases in cooperation with fighter-bombers belonging to the U.S. Seventh Air Force and the puppet airforce in the sky above Yoju, Sangdong and Oeyon Islet for the purpose of a surprise attact on targets in the strategic depths of the northern half of the country.

That day, the U.S. Pacific Navy command sent formations of assault planes, anti-submarine patrol planes, VTOL [vertical takeoff and landing] assault planes and observation planes based in the Japan proper to the sky above Kunwi and Asan Bay in a war exercise aimed at a joint surprise strike at targets in the inland of the northern half of the country in support of fighter bombers, assault planes and observation planes belonging to the U.S. Air Force present in South Korea and the puppet airforce.

On the same day, the U.S. imperialists sent a U-2 high-altitude strategic reconnaissance plane and army tactical reconnaissance planes to the sky above the Military Demarcation Line to commit an intensive aerial espionage on targets in the strategic depths and frontline area of our side, letting them make shuttle flights from the east to the west.

That day the South Korean puppets brought mechanized units to the Hwachon area and ran amuck in a ground attack exercise under the cover of fighter-bombers and assault planes belonging to the U.S. Air Force and the puppet air force. They also mobilized many combatant ships in a frantic naval attack exercise on the sea off Samchok with the support of formations of fighter-bombers and transport planes, inciting war fever.

More than 530 warplanes were flown in aerial war exercises Tuesday under various names in the sky over South Korea.

Anniversary of DPRK-Japan Declaration Noted

*SK2609072491 Pyongyang KCNA in English
0503 GMT 26 Sep 91*

[Text] Pyongyang September 26 (KCNA)—NODONG SINMUN today dedicates a commentary to the first anniversary of the publication of the joint declaration of the Workers' Party of Korea [WPK], the Liberal Democratic Party [LDP] and the Social-Democratic Party [SDP] of Japan on the DPRK-Japan relations.

The three-party joint declaration was a historic declaration of great importance in terminating the abnormal DPRK-Japan relations and improving them, the news analyst says, and continues:

The three-party joint declaration contains the principles in liquidating the wrong past between the two countries and developing a new relationship of good neighbourhood in conformity with the common desire of the two peoples, such as Japan officially apologising to the DPRK for the great misfortunes and sufferings imposed on the Korean people for 36 years and losses inflicted on the Korean people in the postwar period of 45 years and fully compensating for them.

This declaration indicated a guideline for a new start in the improvement of the DPRK-Japan relations and spread a prospect for realising the desire of the two peoples for the improvement of the relations.

The Workers' Party of Korea has consistently worked to carry into effect the three-party joint declaration since its publication.

The LDP and the SDP of Japan have also made sincere efforts to implement the declaration.

Intergovernmental talks are under way for the normalisation of the DPRK-Japan diplomatic relations as set out in the joint declaration. This proves the validity and vitality of the declaration.

But, there are still much work to be done in normalising the DPRK-Japan diplomatic relations in the spirit of the joint declaration.

The most important thing is to take a proper position toward the implementation of the three-party joint declaration.

The normalisation of the DPRK-Japan diplomatic relations can be genuine and satisfactory only when it is realised in the spirit of the joint declaration. In the improvement of the DPRK-Japan diplomatic relations, there can be no other standard and principle than the three-party joint declaration. Therefore, how satisfactorily the DPRK-Japan relations are improved depends on how sincere the stand to improve the relations on the basis of the joint declaration is.

The purpose of the intergovernmental talks between the DPRK and Japan is to improve the relations between the two countries and normalise diplomatic relations between them in the spirit of the joint declaration. Therefore, no other problem which has nothing to do with the talks must be brought up at the talks but the issue of improving the relations between the two countries.

However, the Japanese side came out with problems which have nothing to do with the talks in many cases at the previous talks for the lack of independence, causing the waste of much time, and caused complication at the talks. It is self-evident that the issue of improving the relations between the two countries cannot be solved successfully if it is affected by outside interference or by a wrong political motive. If the Japanese Government authorities are truly willing to improve the relations between the DPRK and Japan, they must look back on their position and acts at the previous rounds of talks and draw a lesson from them.

If the two countries value the first good step toward the improvement of their relations and sincerely negotiate the matters from a firm independent stand, the issue of normalising the DPRK- Japan diplomatic relations will be solved satisfactorily in the spirit of the three-party joint declaration.

Our party and the DPRK Government will actively work to normalise the DPRK-Japan diplomatic relations in this spirit.

Choson University of Japan Delegation Arrives

SK2409044091 Pyongyang KCNA in English
0412 GMT 24 Sep 91

[Text] Pyongyang September 24 (KCNA)—A delegation of Choson University under the General Association of Korean Residents in Japan headed by Song Kyu-yong arrived here Monday by air to participate in the celebrations of the 45th founding anniversary of Kim Il-song University.

KCNA Delegation Leaves for Meeting in Japan

SK2109061091 Pyongyang KCNA in English
0520 GMT 21 Sep 91

[Text] Pyongyang September 21 (KCNA)—A delegation of the Korean Central News Agency headed by its Deputy Director General Hong Hyon-chong left here today to participate in the 8th meeting of OANA to be held in Japan.

The delegation was seen off at the airport by Han Song-pok, deputy director general of the KCNA.

Kim Yong-sun Meets Australian Socialist Leader

SK2609061791 Pyongyang KCNA in English
0429 GMT 26 Sep 91

[Text] Pyongyang September 26 (KCNA)—Secretary Kim Yong-sun of the Central Committee of the Workers' Party of Korea Wednesday met and had a friendly conversation with chairman Jack McPhillips of the Central Committee of the Socialist Party of Australia staying in our country.

Activities of the two parties were informed and views were exchanged on the question of developing friendly and cooperative relations between the two parties and a series of matters of common concern.

Soviet Marchers Arrive in North Hamgyong Province

SK2509153791 Pyongyang KCNA in English
1510 GMT 25 Sep 91

[Text] Pyongyang September 25 (KCNA)—A Soviet Nakhodka motorcade arrived in Tumangang, North Hamgyong Province, today to participate in the international solidarity march for supporting Korea's reunification.

When the motorcade carrying the marchers led by Tatiyana Pavlovna Naumova, vice-president of the executive committee of the Nakhodka City Soviet, arrived, a large number of working people warmly welcomed them.

The motorcade carrying Korean and Soviet flags arrived in Chongjin through Sonbong and Rajin of the province.

It was met by officials concerned and officials of the Soviet Consulate General in Chongjin.

Paper Demands Release of Dissidents in South

*SK2609070891 Pyongyang KCNA in English
0444 GMT 26 Sep 91*

[Text] Pyongyang September 26 (KCNA)—NODONG SINMUN today demands that the South Korean authorities show their will and attitude toward national unity and reunification in action by immediately releasing the visitors to the North.

The Rev. Mun Ik-hwan and Mr. Yu Won-ho who accompanied him, woman student Yim Su-kyong and Father Mun Kyu-hyon who accompanied her across Panmunjom visited the North, urged by their desire for national reconciliation, unity and reunification and, during their stay in the North, they called for reunification and made reunification-oriented activities, irrespective of the system and ideology, a news analyst of the paper notes, and says:

Reunification means patriotism, and the patriotic activities for reunification deserve a praise. Nobody but traitors to the nation can incriminate the patriotic deeds for reunification.

The release of the visitors to the North is not an issue confined to those persons or to the internal affairs of South Korea, but an important issue related to reunification, dialogue and relations between the North and the South. It is unreasonable to hold talks for reunification while keeping in prison those who did righteous acts for reunification.

As the South Korean authorities are expected to visit Pyongyang for the fourth round of inter-Korean high-level talks in October, there is still less justification for them to keep the visitors to the North in prison.

Whether the South Korean rulers immediately release the visitors to the North including Mun Ik-hwan and Yim Su-kyong, or not is a criterion showing whether they have national conscience, a will for reunification and a sincere desire to improve the North-South relations and solve the reunification issue through dialogue with the North.

It is a deception to talk about reunification while keeping in custody those who call for reunification.

Student Talks 'Foiled' by Seoul Authorities

*SK2609110091 Pyongyang KCNA in English
1033 GMT 26 Sep 91*

["September 26 North-South Student Working-Level Talks Foiled by South Korean Authorities' Obstructions"—KCNA headline]

[Text] Panmunjom September 26 (KCNA)—The North-South student working-level talks for discussing the question of students in the northern half of Korea participating in the "'91 Yonsei-Korea University national liberation festival," which was due to be held at the conference room of the Neutral Nations Supervisory Commission here today at the request of the general student councils of Yonsei and Korea Universities in Seoul, were again foiled by the South Korean authorities' obstructions.

Hearing the news that fellow students of Yonsei and Korea Universities would come out to Panmunjom at any cost, the Korean students committee today sent a delegation of the North side headed by Kang Yong-chol, a student of Kim Il-song University, to Panmunjom for the second time following the September 17 talks.

The delegation arrived at the place of talks at 15:00, the appointed time, but the South side's delegation failed to show up. Although the members of the North side's delegation patiently waited for a reunion with fellow students of Yonsei and Korea Universities, they did not appear.

In this regard, a press conference was called on the spot.

Noting that the fellow students of Yonsei and Korea Universities must have failed to come out to the place of talks because of suppression by the South Korean authorities, head of the North side's delegation Kang Yong-chol vehemently denounced, in the name of the delegation, the South Korean authorities' criminal act in again blocking a meeting between students of the North and the South.

Kim Song-kwon, a delegate of the North side, condemned as outrageous the allegation that if students in the North and the South sit at one place for a debate on reunification, those from the South would "play into" the hands of somebody. The No Tae-u ruling group's talk about "dialogue," "exchange" and "reunification" is a sheer lie, he said.

Other delegates of the North side expressed the belief that although they could not meet with fellow students of the South because of the obstructive moves of separatists today, they would be able to meet with them in the future without fail.

Pyongyang Rally Denounces Death of ROK Student

*SK2509114891 Pyongyang KCNA in English
1031 GMT 25 Sep 91*

["Pyongyang Mass Rally Held To Denounce Murder of Han Kuk-won by U.S. Imperialists and South Korean Fascist Group"—KCNA headline]

[Text] Pyongyang September 25 (KCNA)—Youth and students and working people in Pyongyang today held a rally to bitterly denounce the U.S. imperialists and the South Korean fascist ruling group for brutally murdering Han Kuk-won, a postgraduate of Seoul National University.

Ho Hyok-pil, deputy director of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland, in his speech at the rally said the murder of Han

Kuk-won was not an "accident" but an inevitable result of the fascist "security-oriented rule" of the No Tae-u group.

The speaker branded the "Sixth Republic regime" of No Tae-u as a military fascist "regime" and murderous, repressive "regime" and added that about 5,600 people are in prison in South Korea for political reasons, or treble the figure under the "Fifth Republic" fascist dictatorship.

No Tae-u commits the butchery against patriotic people because he is backed by the United States, the speaker noted, and said indignantly that the U.S. imperialists drive the military fascists to the suppression of the people each time their colonial rule faces a crisis in South Korea.

The speaker called on the South Korean youth, students and people to wage the anti-U.S. struggle for independence more courageously in order to terminate the colonial military fascist rule of U.S. imperialism, make the U.S. troops and nuclear weapons withdrawn from South Korea and restore the sovereignty of the nation.

Students of different universities also took the floor.

They denounced the No Tae-u ruling group for killing Kang Kyong- tae and Kim Kwi-chong with iron pipes and boots and shooting a postgraduate to death.

Editorial Celebrates DPRK Founding Anniversary

SK2609092591 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 9 Sep 91

[NODONG SINMUN 9 September editorial: "Let Us Further Brighten Our Republic With a High Sense of Honor and Pride"]

[Text] At a time when the hurrah of socialist victories is being resounded and when brighter prospects are opening for the future of the Republic, we are celebrating the 43d anniversary of the noble DPRK. Our Republic, which the great leader Comrade Kim Il-song founded and is leading, is a great and dignified country where the most superior popular masses-centered socialism has taken deep root and that is endlessly prospering and developing based upon this. The dignity and might of our Republic are being highly demonstrated as the socialism of our own style is marching victoriously. For this reason, in marking the anniversary of the founding of the Republic, all of our party members and workers are filled with a sense of honor and pride in the fact that they have built the most superior and dynamic socialism and with a resolve to carry out the socialist cause to the end under the banner of the Republic.

Our Republic is a valuable achievement that our people have yielded by waging a long, arduous struggle for independence under the banner of the chuche idea. The great leader Comrade Kim Il-song earlier provided the main forces of the nation, the main forces of the revolution, amid the flames of the anti-Japanese revolutionary struggle, thus building a strong basis for founding an independent, sovereign state. Also, after the liberation, he carried out overall reforms and founded the Republic based upon that foundation.

He put down the strong historic roots of the Republic which would not be shaken by any storm and founded the Republic, thus brilliantly carrying out the cause of founding a state. This is truly an immortal, historic achievement that the great leader Comrade Kim Il-song yielded for the fatherland and the nation.

The founding of the Republic was a historic event that brought epochal changes in the development of our revolution and our people's lives. The founding of the Republic has made our people the genuine masters of an independent, sovereign state. It has also made it possible for them to have power in their hands and to independently cultivate their destiny.

The founding of the Republic was the birth of an independent regime that implements the chuche idea. The founding of the Republic has provided a firm, basic guarantee for building a superior popular masses-centered socialism.

Our Republic has vigorously marched forward along the independent course, elucidated by the chuche idea, while overcoming stern historic trials and has brought great victories in revolution and construction. Under the leadership of the party and the leader, our people honorably defended the sovereignty of the country by crushing the aggression and endless provocative maneuvers of the U.S. imperialists and highly displayed their dignity as people who have a strong sense of independence.

While marching under the banner of the Republic, our people successfully carried out revolution and construction. In this way, our people built a prosperous and progressive independent, sovereign socialist state and opened a heyday of national prosperity and development.

Today, our Republic is continuously, vigorously marching forward along the socialist road, which it has chosen, without being shaken by the mean anti-Republic commotions and attacks of the imperialists and reactionaries. Our people take great pride in the historic course and achievements of our Republic.

The great leader Comrade Kim Il-song has taught: Truly, the 40-year history of the DPRK is a history of brilliant victories in which the independent people have vigorously walked along the socialist road under the banner of the chuche idea after crushing the challenges and obstruction maneuvers by enemies at home and abroad and is a history of creation in which, based upon their boundless energy, the popular masses have been leading worthwhile lives and displaying revolutionary spirits and in which they have made new socialist lives blossom.

The pride and self-respect our people take in the historic journey traversed by our Republic stems primarily from the fact that they have successfully built socialism centered on the popular masses by vigorously advancing along socialism of our own style under the chuche banner.

The course that our Republic has traversed was a history of socialist victories attained in proving the truthfulness of socialism of our own style and its immortal vitality in defiance of the uninterrupted challenges from the enemies at home and abroad, as well as a course of a great creation that has brought a new socialist life pulsating with the rewarding life of the popular masses to full flower.

To build a society centered on the popular masses where the popular masses are regarded as true masters of society and where everything serves for the good of the popular masses is the lofty ideal of socialism of our own style. To realize this ideal is a untrodden creative path and a treacherous path of struggle on which we must advance smashing the obstructive maneuvers of the enemies of socialism.

Under the banner of the Republic, our people have traversed, firmly and without wavering, only along the socialist path of their own choice under all complex circumstances. By energetically carrying through the revolution and construction by manifesting the revolutionary spirit of self-reliance and arduous struggle, our people have transformed their fatherland into a powerful socialist country of independence, self-reliance, and self-defense even under the difficult circumstances of national division and centuries-long backwardness and have brought their independent and creative socialist life to full flower.

In the process of this staggering struggle, the socialist ideology has struck its roots in the hearts of our people and the Republic has transformed into an invincible socialist bulwark.

Our people take great pride in, and have affection for, today's socialist life and cherish the faith that the Republic responsible for this is indeed the motherly bosom and cradle of happiness.

Socialism centered on the popular masses is an indomitable cause that enjoys absolute support from the people. The valuable sumup of the history of the Republic is that only on this road it is possible to realize true freedom and happiness of mankind unimaginable in the capitalist society.

Today, our people, while proudly looking back on this history, deeply realize the justness of their journey on the one-way socialist road over the past 40 years and the value of our socialist system.

The pride and self-respect our people take in the historic course traversed by the Republic also lies in the fact that they have built a most dynamic socialist country which is developing on the basis of independence, self-reliance, and self-defense by maintaining a chuche-based position.

To maintain a chuche-based position is the lifeline of the fatherland building and a true road leading to national prosperity. For this reason, our party and the Republic's Government have assumed it as its basic stand to build socialism on its own, in a way that corresponds to the independent desire of our people and the realities of our country and have consistently maintained an independent stand and the revolutionary lines of independence, self- reliance, and self-defense.

Fatherland building has been treacherous and in the process our people faced countless new questions they could not solve based on the existing formula. Our Republic, however, has been able to build a powerful and mighty national economy capable of self reliance and self-defense, while realizing the chuche ideology and independent politics by rejecting toadyism and doctrinism, as it has always been grounded in chuche.

Its consistently maintained chuche-based stand has provided our party and the Republic's Government the basic conditions on which to victoriously carry out the fatherland building without the slightest deviation.

In today's realities in which our Republic is firmly advancing along the course of independence even in the face of the grave whirlwind of history that determines the fate of socialism, we can proudly say that the road of independence and creativeness traversed by our Republic is the most just one, on the strength of faith and self-respect.

Only when the main forces of the revolution are strengthened and their role is enhanced can the victory be won. This is the most important truth and faith cherished by our people over the long period of revolutionary struggle. In our country, priority has been given to strengthening the main forces of the revolution over the long period of socialist construction, and this work has been constantly deepened.

Because our party's chuche idea is great and the ideal of socialism of our own style is endlessly lofty, all the people in our country absolutely supported the party and the government of the Republic, and firmly united with them under the banner of socialism.

The party and the leader trust the people and endlessly love them while the people absolutely trust the party and the leader and greatly support them. This is the true nature of unity and cohesion in our Republic.

Since the great party firmly stands at the van of the Republic and the popular masses, who pioneered the new road of socialism while sharing their destiny with the party for a long time, are firmly rallied behind the party and the government of the Republic, today's destiny and the bright future of the Republic are firmly ensured.

Thanks to the wise leadership of the party and the leader, our Republic could, in the past, enhance history with victory without the slightest deviation and vicissitude.

Since he provided the historic roots of the Republic to the present, the great leader Comrade Kim Il-song, the founder and leader of the Republic, firmly established chuche in all fields of the nation's activities and provided the strong main forces of the revolution, thus leading our Republic only along the road of victory.

Because the respected leader thoroughly implemented independent policy and solved all problems according to the strength of the main forces, our Republic advanced only along the ever-victorious road without wavering under any circumstance.

The chuche cause of building the nation has been firmly defended and protected by our party and is being brilliantly realized at a new higher stage today.

Dear leader Comrade Kim Chong-il, regarding the party's leadership as the life of socialism and as a powerful weapon for building the nation, firmly organized the party first of all and remarkably strengthened the main forces of the revolution by uniting the people under the slogan of chuche-orientation of entire society.

With uncommon ideological and theoretical activities, the dear Comrade Kim Chong-il consolidated the ideological and theoretical foundation of socialism and expounded on great methods in monumental socialist construction. As the result, socialism in our country took deep root in the hearts of the popular masses and brilliantly expanded their rewarding lives.

As shown by the history our Republic has covered, the nation's greatness is the leader's greatness, and the nation's prosperity and the people's stabilized life depend on the wise nature of the leadership of the leader and the party. Only when one upholds the great leader can the ideal of socialism take deep root among popular masses and arouse their ardent support and sympathy, and can socialism give a stable and happy life to the people. This is the truth proven by our experience.

Today we are faced with a grave task to achieve the complete victory of socialism by highly demonstrating the superiority of popular mass-centered socialism and to expedite the independent reunification of the nation.

Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the party Central Committee, has indicated: With the might of the single-hearted unity among the leader, the party, and the masses, we should crush the antisocialist maneuvers of the imperialists and reactionaries and should achieve without fail the independent reunification of the nation and the final victory of the socialist and communist cause.

In order for all party members and workers to achieve the continuing prosperity of our Republic, they should tenaciously fight by more deeply cherishing the pride in building chuche socialism under the wise leadership of the party and the leader.

Our people's lofty pride in having the great fatherland is the lofty pride in carrying out the revolution by upholding the great leader under his leadership and is the pride in living under the most superior socialist system by taking the great chuche idea as the guideline.

All party members and workers should regard it as greatest happiness and highest honor to invariably uphold in the highest place of the Republic the respected Comrade Kim Il-song, the great thinker, theoretician, politician, and strategist who is leading our people only to victory over the long period since he provided the historic roots of the Republic to the present. They should also loyally uphold the leadership of the leader.

We should brilliantly realize the lofty intent of dear Comrade Kim Chong-il who tenaciously defends and adheres to achievements made by the great leader in building the chuche fatherland and who is brilliantly developing the leader's ideas for building the fatherland.

The belief of all the people that our Republic is the best and our socialism the most superior is a precious ideological and mental source for strengthening and developing our Republic and for achieving its prosperity. All party members and workers should vigorously fight to glorify the Republic by cherishing the pride in socialism of our own style which we ourselves chose and built with our own hands. Through today's proud reality in the Republic, we realized that socialism of our own style is the best.

It is firm insurance for strengthening and developing the Republic and for realizing its prosperity to strengthen the popular government under the party's leadership. By thoroughly realizing the party's leadership, organizations of the popular government should firmly adhere to the working-class nature of the popular government and should brilliantly fulfill the mission and duties of tenacious defender and protector of socialism.

Our party demands that functionaries of organizations of the popular government do work worthy of genuine servants of the people. By always putting forward the slogan, "We serve the people," functionaries of organizations of the popular government should devotedly serve the people.

In particular, by keenly understanding the party's intent to give more work to functionaries while giving more benefits to the people, they should think and act only in accordance with the party's demand.

The government of the Republic is the tenacious defender and protector of the independence and basic interest of the popular masses. The destiny and future of all people totally depend on our party and on the government of the Republic. By always realizing how precious the government of the Republic is in pioneering their destiny and that of future generations, all party members and workers should tenaciously defend and protect the Republic's Government and should thoroughly implement all lines and policies put forward by it.

It is particularly important that we thoroughly abide by all laws and regulations of the state. In order to achieve prosperity and the development of the Republic, we should vigorously accelerate socialist construction under the banner of the three revolutions.

By continuously and vigorously pushing ahead with revolutionization and working classification of entire society, all functionaries and workers should fully carry out the sound socialist culture and ethos of life.

With ardent love for our fatherland and strong attachment for socialism of our own style which we obtained with blood, we should vigorously wage the mass technological innovation movement and the movement for production increase and conservation by dedicating all wisdom and energy to the wealth and development of the socialist fatherland. Thus, we should fulfill the Third Seven-Year Plan ahead of schedule.

Reunifying the nation is the greatest desire of all the Korean people. Our people absolutely should not hand over the task of national reunification to the future generations.

In his recent immortal work, the great leader Comrade Kim Il-song expounded the most just and realistic method for reunifying the nation by strengthening the main forces of the nation and reunification.

What is important in reunifying the fatherland is, all in all, to strengthen the main forces of national reunification by achieving the great unity of our people.

The main forces of national reunification are all the Korean people themselves and great national unity is a precondition and essential factor for national reunification.

All the Korean people should achieve national reconciliation and national reunification based on ardent patriotism and on the spirit of national independence. By strengthening pan-national solidarity for national reunification, we should reunify the nation independently and peacefully in the nineties without fail.

Independence, peace, and friendship are the basic ideal in the foreign policy of the government of our Republic. By constantly and thoroughly embodying this ideal, we will continuously develop international relations.

Our people will invariably and tenaciously defend and protect the socialist cause under any circumstance, and will vigorously advance along the road of socialism under the banner of independence.

The government of the Republic will tenaciously support the struggle of the people in all nations of the world to achieve national liberation and social progress and to safeguard the peace and security of the world and will further strengthen and develop friendship and cooperative relations with the people in all nations of the world.

Only greater victory and glory are ensured in the future of the Republic which is traversing along the single path of socialism by adhering to truth and principle under the banner of the great chuche idea.

By cherishing the great pride in building superior socialism by following the great leadership of the party and the leader, let us all more vigorously fight to achieve endless the prosperity and progress of the Republic.

* Kim Chong-il Praised for Monument Design

912C0274A Pyongyang NODONG CHONGNYON in Korean4 Jul 91 p 2

[Article by reporter An Mo-tan: "It Will Be Handed Down Forever, With the Samjiyon Grand Monument"]

[Text] Samjiyon, undulating with great revolutionary traditions and moving stories....

Many workers and youths and students are today standing in endless lines to visit Samjiyon, which is brilliantly adorned with the Taerochon Revolutionary Museum and the statue of the respected and beloved leader in the center.

Today too, with great pride and self-esteem, they look around the Samjiyon Grand Monument, engraving deep in their hearts the immortal leadership achievements of the dear leader Comrade Kim Chong-il, who set up the eternal revolutionary monument of the age, this historic grand monument, and offer endless thanks and glory to him.

Fifteen years ago, the dear leader comrade initiated the construction of the Samjiyon Grand Monument and wisely led its construction.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and Secretary of the Central Committee of the Workers Party of Korea (WPK), pointed out as follows:

"To eternally attend the great leader Comrade Kim Il-song is the noble duty and unchanging revolutionary belief of Korean Communists."

It was one day in July 1976.

The dear leader comrade had personally paid a visit to the site in order to pick a place at Samjiyon for a grand monument to be built.

On this day, the dear leader comrade heard the report of functionaries who wanted to have the statue of the great leader set up on the other side of the lake. He became deeply engrossed in thought and walked from the "Kammu Security Road" to the side of the lake, from the side of the lake to the forest, and from time to time he would take a bird's-eye view of the blue waves of Samjiyon and from time to time gaze at Paektusan in the distance.

Finally, the dear leader comrade gave instructions concerning having the statue set up at exactly the point where two large trees stood, where the great leader had the historic commemorative photograph taken. He taught that inasmuch as the objective in building the monument is to pass on eternally to tens of thousands of succeeding generations the revolutionary accomplishments of the great leader and to indoctrinate the people, it was necessary to take this point into consideration in deciding on the location of the monument.

The dear leader comrade continued, saying that if we want to do that, we must stick to the principle of erecting the monument in the place of the actual historical event. It was on this side of the pond that the leader led his units of the Korean People's Revolutionary Army and stopped to have a rest, so it is proper to have the statue in this place, he pointed out.

Indeed, it was a statement based on profound contemplation and intelligent judgment.

The dear leader comrade's teaching concerning placing the statue of the great leader in front of the Samjiyon pond shows more vividly the great revolutionary great achievement of the leader in accordance with historical facts by placing the monument near to the actual historical location. On top of that, his idea of creating a spacious indoctrination grounds directly adjacent to the "Kammu Security Road," the main visitors' road, also contained the lofty purpose of enabling the hundreds and thousands of people making field trips each day to the revolutionary site to take in the statue of the fatherly leader just as soon as they arrived here.

The dear leader comrade thus placed the statue in the spot of the immortal event so that the great revolutionary achievements of the leader would be transmitted eternally. At the same time, he used the dignified majesty of Paektusan and the beautiful scenery of Samjiyon as a backdrop, so that the first thing the excursionists would see would be the statue of the fatherly leader. On top of that, he also led the creative artists so that they would do everything—the scale of the statue, the form of the statue, and the coloration of the statue—at a top-notch level.

One day in April 1977, the dear leader comrade, who had seen a mockup of the new monument, familiarized himself with the scale of the monument and said with satisfaction that if you measured from its pedestal, the scale of the statue of the leader at Samjiyon was larger than that of the great leader at Mansudae.

The dear leader felt such joy that the statue would be made on a superlative scale.

The dear leader comrade was engrossed in deep thought for some time, then quietly approached the draft plans for the statue of the great leader and gave instructions concerning the matter of the statue's color. He said kindly that since the great leader has such a particularly indelible impression of Samjiyon, the color and form of this statue of the leader must be done better than any other statue.

So saying, he gave them the precious teaching that the designers should not portray the leader wearing a spring coat, but since the statue of leader has as its background the holy mountain of the Revolution, Paektusan, and the heritage-rich revolutionary battlefield of Samjiyon, the form of the leader must be that of a legendary hero and an iron-willed commander.

Inspiring the creativity of the designers, the dear leader comrade pointed out: In the poem "Paektusan," the leader was called the "tiger" of Paektusan. In this statue we must show the leader not as he presently appears in the design, but wearing a leather belt over his military uniform and carrying binoculars. Only if we do that will the features of the great leader as a general come to life.

Instantly, the designers' hearts began to tremble with an astonishment and creative excitement that they had never experienced before.

The great General Kim Il-song, climbing high on Changgun-bong and gazing at the rivers and mountains of the fatherland, which had been trampled by the boots of the Japanese imperialists, and unfolding his grand design of eagerly smashing the enemy and achieving the restoration of the fatherland and turning all of Korea—the land of embroidered rivers and mountains—into a paradise of the people!

Somehow, before the eyes of the architects it was not just a representation, but the immortal image of the great leader standing by the side of Samjiyon pond as a living picture.

The dear leader comrade on that day made them realize one by one the deficiencies in the theme and content of the monument that were reflected in the design the creative artists had submitted.

The dear leader comrade said that because the place of the leader's statue was at Samjiyon and Paektusan was in the background, in terms of content it was proper to regard this as the triumphant return to the fatherland. And he taught that in order to bring to life the central theme, a feeling of reality could be achieved only by putting in scenes from real life, such as reading books beside a bonfire, suggesting the Chongbong encampment.

The dear leader comrade said that each time the great leader visited the Samjiyon pond he would say he recalled with deep emotion how during the march to the fatherland during the period of the anti-Japanese armed struggle they drank water from the Samjiyon pond here. Then the dear leader comrade told them to set up beside the pool—where it actually took place—a depiction of the women members of the Korean Revolutionary Army dipping and drinking the water of the fatherland.

So saying, the dear leader comrade pointed out that in the case of the Samjiyon Grand Monument, unlike other great monuments, they should not draw the placement of the groups with lines but do it naturally, guaranteeing a three-dimensional effect while making everything subordinate to the major theme. He said that the monument must be formed so that the leader's statue was the most important part.

Pulling together his guidance on the design, the dear leader said, in serious tones, that inasmuch as this is the first time a statue of the great leader has been built with Paektusan as the actual background, we must make it bigger and more grandiose in scale and artistic form than the Mansudae Grand Monument or the Wangjaesan Grand Monument.

The more the we thought about it, the more the words were filled with profound thought and majestic meaning.

With such profound thoughts and majestic intent, on 5 June 1978 the dear leader comrade visited the Creativity Group compound to see the statue of the great leader that would be placed at Samjiyon. There he set forth the completely new and unique guideline that, even after several decades, the color of the statue of the leader should remain the original color.

In the centuries since the history of statues began, there have been countless designers who have devoted their entire lives to building statues, but which designers of which age have given great attention to the problem of statue colors changing?

It had been taken for granted that, with the passage of time, the color of a statue would change, or even if the color did not change, in the end it would just end up becoming black.

However, the dear leader comrade set forth the completely new and unique guideline that no matter how much time might pass, the color of the statue of the great leader must never change—here indeed was embodied his lofty intent of insuring that the great leader would be revered eternally, until the end of time, and of glorifying the immortal revolutionary achievements achieved by the leader eternally, for 10 million years.

Thus, in a period of just over two years—from selection of the site of the statue of the great leader to the scale, specific form and color, and the details of the many sculpted groups—the Samjiyon Grand Monument rose as a world-famous, immortal monument without precedent in terms of scale or ideological and artistic nature under the careful and energetic guidance of the dear leader comrade.

When the dear leader comrade received the report in March 1979 that the construction of the Samjiyon Grand Monument had been completed, he visited Samjiyon. Forgetting his fatigue from the long journey, the dear leader comrade visited the monument as soon as he arrived at Samjiyon. Unmindful of the savage weather and even the swirling sleet, he looked up at the statue of the great leader and stood there for a long time without moving.

There was the monument, rising high against a backdrop of endlessly swaying forests that continued all the way to Paektusan, the holy mountain of the revolution, far in the distance, and beautiful thickets of azaleas....

The glorious image of the great leader, who had forged his way through thousands upon thousands of clouds of fire, standing there in military uniform. Sticking out from his leather belt, the handle of his Mauser pistol glistened. He was holding up his binoculars, which were clouded by the smoke of the cannons, just as he had stood on the ridge of Paektusan...There he was, standing on the pedestal that represented Changgun-bong, gazing toward the rivers and mountains of the fatherland, now filled with suffering, but where, before long, a new dawn of restoration would break....

Neglecting even to take a short rest, the dear leader comrade leader once again came out and looked at the statue in the bright sunlight, for fear that a slight imperfection might be on the statue of the leader, which was to stand eternally for 10 million generations. He came out once again in the nighttime when the myriad stars were clustered in the heavens. And he lauded the designers, saying that no matter when one saw it, the monument centering about the statue of the great leader was perfect from every aspect and that he felt satisfied.

Indeed, thanks to the noble loyalty and wise leadership of the dear leader comrade, who seeks to protect and defend and glorify the revolutionary accomplishments of the leader, the Samjiyon Grand Monument will rise high above this land as an immortal monument that will be handed down eternally to succeeding generations, who will revere the great leader until the sun and the stars disappear.

KCNA Reviews 26 Sep Pyongyang Press

SK2609072791 Pyongyang KCNA in English 0449 GMT 26 Sep 91

[Press review]

[Text] Pyongyang September 26 (KCNA)—Papers here today carry a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to President of the Presidential Council of the Republic of Yemen 'Ali 'Abdallah Salih on the occasion of the 29th anniversary of the victory of the September 26 revolution in Yemen. NODONG SINMUN carries news that the great leader President Kim Il- song received messages and letters of greetings from participants in celebration meetings held in foreign countries on the 43rd anniversary of the founding of the Democratic People's Republic of Korea.

The paper reports that immortal classical works of President Kim Il-song were reported in foreign countries and lecture meetings on his work "Let Us Achieve the Great Unity of Our Nation" were held in foreign countries.

Papers inform the readers that study and dissemination on works of the dear leader Comrade Kim Chong-il took place in foreign countries.

NODONG SINMUN reports that Indian political figures said the work of Comrade Kim Chong-il "Young Men and Women, Be the Young Vanguard Unfailingly Loyal to the Party and the Leader" is a militant banner encouraging the struggle of the world young men and women. The paper prints a message from the secretary general of the Party of Union for National Progress of Burundi to the Central Committee of the Workers' Party of Korea in reply to its message of greetings on the occasion of the 30th anniversary of the victory day of the party.

An editorial of the paper stresses that leading members of revolution should be persons who steadfastly defend and carry out to the letter the policy of the party.

Papers inform the readers that innovations have been effected in the production of coal and electric power and in railway transport.

Under the headline "The Performance Is Bright and Clear and Seems To Give Breath of Korea" it carries repercussions caused by the performance of the Pochonbo light music troupe upon the Japanese public. Papers give accounts of a Pyongyang mass rally held to denounce the U.S. imperialists and the South Korean ruling quarters for brutally murdering Han Kuk-won, a postgraduate of Seoul National University.

NODONG SINMUN comes out with a commentary demanding an immediate release of the visitors to the North including Mun Ik-hwan and Yim Su-kyong.

South Korean news of papers includes reports that the National Council of Student Representatives, the Coalition for National Democratic Movement, the National Alliance and other student and dissident organizations decided to hold nationwide rallies to denounce the murderous "regime" and the Seoul District Federation of General Student Councils demanded that the authorities realize an independent exchange between students of the North and the South.

Appearing in NODONG SINMUN is news that the U.S. imperialists and the South Korean puppets ceaselessly staged war games against the North, the U.S. imperialists are scheming to deliver the South Korean puppets military equipment of latest types and the puppet defence minister incited war fever.

It carries an article branding the former Chon Tu-hwan's "Fifth Republic" and the present No Tae-u's "Sixth Republic" in South Korea as the twin pro-U.S. fascist "regime" and MINJU CHOSON an article demanding that the "National Security Law", an anti-democratic, anti-reunification fascist law, be abolished at once in South Korea.

Foreign public circles are supporting the DPRK's entry into the united nations, says NODONG SINMUN.

It gives a commentary under the title "DPRK-Japan Relations Must Be Settled in the Spirit of Three-Party Joint Declaration" in connection with the first anniversary of the publication of the declaration by the Workers' Party of Korea and the Liberal- Democratic Party and the Social-Democratic Party of Japan on Korea- Japan relations.

According to the paper, parliaments and public organizations of countries and international bodies urged the United States to stop at once its blockade against Cuba, the Thai foreign minister supported the conversion of the South-East Asia into a peaceful, free and neutral zone, the first vice-president of Iran held that outside forces are not needed to be stationed in the Persian Gulf and a Latin-American and Caribbean regional meeting of cultural ministers was held in Havana.

The press gives news that a special session convened by the Tajik Supreme Soviet proclaimed a state of emergency in its republic, the Supreme National Council of Cambodia met in New York and the Indonesian president referred to the role of the Non-Aligned Movement.

Papers introduce the republic of Yemen.

Peace process is making progress in South Africa, reports NODONG SINMUN.

South Korea

No Tae-u Discusses Reunification Prospects

SK2609013591 Seoul YONHAP in English 0023 GMT 26 Sep 91

[Text] New York, Sept. 25 (YONHAP)—South Korean President No Tae-u, hinting at flexibility on the method of reunifying the Korean peninsula, said Wednesday that the unification formulas of the two Koreas could be combined into one.

"Now that North Korea has entered the United Nations along with us, I think our formula for reunification through a Korean community and the North's formula based on the confederal republic of Koryo can be combined as one," No told South Korean reporters.

"We can think of a three-phase formula starting with our Korean national community and proceeding to the confederation proposed by North Korea, and political integration."

No, stressing that the two unification theories and basic ideas were not so different, said the two sides could discuss reunification "in detail" at a U.N. forum.

Korea was divided into a capitalist South and communist North at the end of World War II in 1945 and the two sides fought a three- year war from 1950 until a truce three years later. They became members of the United Nations on Sept. 17 and No delivered a key-note speech to the 46th General Assembly on Sept. 24.

Asked about the possibility of his meeting with North Korean President Kim Il-song, No said: "Isn't it true that we can discuss reunification or whatever after we meet?"

The president said it was possible a Seoul-Pyongyang summit could take place before his tenure expires in February 1993.

"I believe they (North Korea) feel the need for a South-North summit more keenly than we do," No said.

South Korea would assist North Korea's economic rehabilitation by marrying its capital and technology with the North's manpower, he said.

"If we closely analyse the merits and demerits of the North Korean economy and make the best of the merits, we could raise living standards on both sides and exchange in real terms would be possible then," No said.

Later in the day, No left for Mexico, where he will make a two-day state visit as the guest of President Carlos Salinas de Gortari.

Soviet Ambassador Discusses Future Relations

SK2609042791 Seoul THE KOREA HERALD in English 26 Sep 91 pp 2, 4

[Text] The Soviet ambassador to Seoul, Oleg M. Sokolov, urged that South and North Korea take "practical steps" to ease tension on the Korean Peninsula.

He also reaffirmed the Soviet position that North Korea should place its nuclear facilities under international inspection.

Sokolov made the comments during a news conference at the Soviet Embassy yesterday, just hours after President No Tae-u, in his U.N. speech, called on the North to give up its nuclear development program and start "real arms reductions" talks with the South.

He gave thanks for Seoul's recent decision to go ahead with the loan plan for Moscow, which had been suspended in the aftermath of the failed coup in the Soviet Union.

He appreciated President No's appeal for substantial aid to the Soviet Union during his address to the United Nations Tuesday and hoped No's proposals advanced in the speech concerning inter-Korean relations would bear fruits and lead to substantial easing of tensions in Korea.

"It can be expected that both Korean states will take practical steps to facilitate the accomplishment of tasks facing the United Nations by reducing the level of military-political confrontation on the peninsula, adjusting relations with U.N. specialized agencies, including the International Atomic Energy Agency (IAEA), and developing mutual good-neighborly relations and cooperation as the basis of further rapprochement and unification," he said.

Sokolov said North Korea well understands that the Soviet Union, one of the original authors of the Nuclear Nonproliferation Treaty (NPT), has maintained a policy that all signatories of the treaty should sign the nuclear safeguards agreement with the IAEA.

"It is clear that there can and should be no exception in the policy," he said.

Two top Soviet bank officials will visit Seoul Oct. 9-12 to explain to Koreans the new banking system in the Soviet Union and its operation as well as other economic matters, the envoy said.

Sokolov said V.V. Gerashchenko, president of the USSR State Bank, and Y.S. Moskovskiy, president of the USSR Foreign Economic Bank, are planning to meet with Korean bank officials in Seoul and give lectures in order to help Korean government officials and people understand the Soviet situation.

The two will also visit other Southeast Asian countries including Thailand and Singapore for similar purposes, the ambassador said.

Sokolov, however, denied the possibility that these officials would ask for Seoul's additional financial assistance to the Soviet Union.

He also denied the allegation that the Russian Federation has asked Seoul to provide financial aid to the republic in addition to the $3 billion which Korea promised to provide to the Soviet Union early this year.

Turning to the recent Moscow visit by opposition leader Kim Tae-chung, the ambassador said he had no knowledge of what happened in Moscow during Kim's visit as his embassy was not in charge of arranging his schedules.

He said Kim must have not met with Soviet President Mikhail Gorbachev and Russian Federation President Boris Yeltsin simply because of some conflicts in schedules. He said both Gorbachev and Yeltsin are so busy with their foreign and domestic commitments that they cannot meet every foreign leaders who want to meet them.

"I do not see that as a kind of step against Kim Tae-chung," Sokolov said.

Negotiations are under way between Seoul and Moscow over the possibility of exchanging the lands for their embassies in each other's capital, the ambassador said. His embassy rented a building south of the Han River in Seoul to use as its chancery until the two governments finally settle negotiations to build their own buildings.

The Soviet Embassy plans to move to the new building from the present Hannam-tong chancery before the end of this year, he said.

Sokolov said he received many letters and telegrams of encouragement and support from the Korean public after the aborted coup in the Soviet Union. Some Koreans even sent him money to be used for the families of three victims killed during the coup and some projects to overcome difficulties, he said.

"I want to use this opportunity to say thank you to all of these Koreans. This was, I think one human element, one common denominator and one manifestation of the common values that we share," he said.

Seoul, Moscow Announce Air Traffic Control Pact

SK1409044391 Seoul YONHAP in English 0429 GMT 14 Sep 91

[Text] Seoul, Sept. 14 (YONHAP)—Soviet airliners will fly to South Korea through North Korean airspace from Sunday [15 September] under an air traffic controlling accord between the Soviet Union and South Korea, the Transportation Ministry announced Saturday.

Seoul and Moscow agreed to open the temporary route linking Seoul and Khabarovsk in aviation talks in Seoul in July, a Ministry official said.

A detailed air traffic control agreement was recently signed by the Taegu central air route controlling station and the Khabarovsk air route controlling station.

On Aug. 27, the two governments exchanged memoranda of understanding that said aircraft in the flight information regions [FIR] would be safe. South Korea pledged to protect Soviet aircraft in its FIR, and the Soviet Union promised to guarantee the safety of South Korean aircraft in the Soviet and North Korean FIRs.

Use of the temporary route will cut the distance from Seoul to Khabarovsk by 707 kilometers and flying time by 48 minutes. Planes currently fly via Japan.

Korean airlines cannot use the shortcut, however, because South Korea does not have an aviation accord with North Korea. The airlines, Korean Air and Asiana Airlines, fly from Seoul to Khabarovsk via Kangnung and Niigata, Japan.

Hyundai To Establish Sales Area in Soviet Store

SK2009045391 Seoul THE KOREA BUSINESS TIMES in English 27 Aug 91 p 50

[Text] Hyundai Department Store has announced it will set up a permanent sales area of between 500 and 1,000 pyong, at the Gum Department Store in Moscow—the largest in the Soviet Union.

The new retailing venture will opened by the end of this year after a formal lease contract signing in October, according to a store official. He said that products on sale would include Korean-made electronics goods, fashions, kitchenware and other consumer items as well as passenger cars.

Starting September 20, Hyundai Department Store will hold a special four-week exhibition at Gum to introduce its products to Soviet consumers. The show will feature autos, electronics, telephones, computers, foods and other sundry goods, all produced by Hyundai conglomerate firms—the second largest business group in Korea.

The September products fair will be co-organized by Hyundai's retailing, trading, automobile and electronics affiliates which expect to score a combined US$2 million in sales from the event.

The well-known Soviet department store, Gum, has 16 chains in the Soviet Union and maintains a huge showcase store in Moscow which is twice as large as Lotte Department Store, the biggest in Seoul.

Following its advance into the Soviet Union, Hyundai also plans to open a shop in China this year. It has already finished a feasibility study for the Chinese retailing project. The plan has been under negotiation with four or five department stores and duty- free shops in Beijing who may cooperate in the venture.

Kim Yong-sam Meets Japanese Party Leader

SK2009101691 Seoul YONHAP in English 0910 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 (YONHAP)—South Korean ruling party leader Kim Yong-sam Friday asked the Japan Socialist Party (JSP) to adjust its pro-Pyongyang policy to match global trends.

Over lunch with JSP Chairman Makoto Tanabe, Kim complained that the JSP was leaning toward North Korea even though it had conditionally recognized South Korea in April. Kim arrived in Tokyo on Wednesday [18 September] .

He also asked for a definite JSP position on international inspection of North Korea's nuclear facilities.

Tanabe said the JSP wanted Pyongyang to comply with the worldwide call for inspection, and told Kim that every nation of the world as well as North Korea must remove the nuclear risk and share information.

He said the JSP had changed its Korea policy to acknowledge the basic Seoul-Tokyo pact and to promote exchanges with South Korea.

Tokyo Agrees To Expand Imports From Seoul

SK2009071391 Seoul THE KOREA HERALD in English 20 Sep 91 p 6

[Text] Pak Yong-hak, chairman of the Korea-Japan Economic Association, said yesterday that Japan agreed to expand its imports from Korea to help rectify Seoul's growing trade deficits with Tokyo.

"Besides the widening trade deficits, Japan's slow transfer of technology is another crucial economic problem to be solved soon between the two countries," Pak said at a news conference in a Seoul hotel wrapping up the 23rd Joint Conference of the Korea-Japan, Japan-Korea Economic Committees.

Binsuke Sugiura, head of the Japan-Korea Economic Association, said that Korea should sharpen industrial competitiveness to help reduce its worsening trade deficits with Japan.

The two sides adopted a five-point joint communique at the end of the two-day joint conference, agreeing to work together for the enhancement of mutual investments and technological cooperation.

The joint statement said that Korea's growing trade deficits with Japan are mainly attributable to rapid wage increases, the weakening competitiveness of Korean industries and the appreciation of the won.

The two sides also agreed to dispatch business-promoting delegations, composed of professional businessmen.

PRC Charges of Illegal Oil Prospecting Denied

SK1609101491 Seoul YONHAP in English 0840 GMT 16 Sep 91

[Text] Seoul, Sept. 16 (OANA-YONHAP)—South Korea on Monday denied allegations by China that it is conducting illegal oil exploration projects in the West Sea in violation of its jurisdiction.

The South Korean Foreign Ministry said in a statement that the Seoul government "wishes to reaffairm that the area where the exploration program is being carried out is within the jurisdiction of the Republic of Korea in accordance with the principle of median line established by the international law."

"It further declares its willingness, as was expressed several times in the past, to enter into discussions at any time with the authorities (of China) as a neighboring country in the spirit of cooperation, on the question of delimitation of the continental shelf areas in the West Sea and the East China Sea between the two countries," the statement said.

The Korea Petroleum Development corporation began a two-month oil exploration from Aug. 29 in the West Sea close to the median line dividing mainland China and South Korea.

The Chinese Foreign Ministry spokesman said last Friday that his government was "deeply concerned" about South Korea's oil drilling in the zone.

The Chinese ministry called it "another act of encroachment on China's rights and interests committed by South Korea following its oil drilling in the same area last May."

PRC Seeks To Improve Relations Through Trade

SK2609100391 Seoul YONHAP in English 0840 GMT 26 Sep 91

[Text] Seoul, Sept. 26 (YONHAP)—A South Korean business executive Thursday said he had been told by Chinese Deputy Prime Minister for Economic Affairs Tian Jiyun that Beijing would improve its political relations with Seoul by promoting bilateral economic cooperation.

China was willing to sign a private-level trade agreement and accords on avoidance of double taxation and investment protection even before the two nations normalize diplomtic relations, a Samsung Co. executive said Tian told him during a visit to Beijing earlier this month.

The two nations have trade representative offices in each other's capital.

Chairman Shin Hyon-hwak and a group of executives of Samsung Co. visited Beijing Sept. 5-17 to find ways to promote bilateral economic ties.

Tian said China considered South Korea a primary cooperation partner and Korean companies would be treated the same as other foreign companies operating in China, the Samsung official said.

Tian was known to have also said China's reform moves and open- door policy to modernize would not backpedalled until the year 2000 and expressed his hope for a Northeast Asian economic bloc to compete with the rest of the world.

Official Views PRC Request for Landing Rights

SK2609042091 Seoul THE KOREA HERALD in English 26 Sep 91 p 3

[Text] China's recent direct contact with the South Korean government on its now canceled plan to fly a charter flight to Seoul is stirring up expectation in South Korea.

"We see it as a signal that some changes are being made in China's attitudes toward us," said Kim Kwang-chae, head of the Transportation Ministry's International Aviation Department, yesterday.

He cautiously observed that the presumed shift in China's stance toward South Korea might be prompted by recent simultaneous entry to the United Nations by South Korea and its key ally North Korea.

He confirmed that the Civil Aviation Administration of China (CAAC) sent a cable last Thursday to the South Korean Transportation Ministry asking permission for its plan to fly a charter plane from Tienjin to Seoul Sept. 25.

It was China's first contact with the South Korean government on an aviation issue, apart from two special occasions—the 1988 Seoul Olympics and 1990 Beijing

Asian Games when the airlines of the two nations flew several charter flights to transport athletes, officials and equipment.

Kim put extra significance on the fact that the CAAC cable came through the aeronautical fixed telecommunication network (AFTN).

But the Chinese side withdrew the request when the South Korean ministry customarily asked for basic information on the planned charter flights such as a crew list and nationalities of the passengers, Kim said.

The CAAC did not say why it withdrew the application, he said.

Kim said that he has no idea of whether the canceled Chinese charter flight planned to carry Chinese tourists or ethnic Koreans in China who want to make a visit to their homeland.

Despite the sign of change in China's shift of its policies toward South Korea, the Korean official, however, refused to speculate on the future of the stalled Korea-China aviation talks, one of the key issues pending between the two nations.

Two rounds of aviation talks were held this year, both times in Beijing, at the latter's request, but collapsed after the Chinese side's "excessive" demands, as South Korean officials put it.

South Korea proposed that direct air routes between the countries should be opened between the capital cities of the two nations according to international practices.

But the Chinese side demanded that the route be established between Seoul and Shanghai or Tianjin instead of Beijing, a demand which South Korea dismissed as "unacceptable."

Another key bone of contention was the boundary of ground-control rights, Kim said.

South Korea proposed that it has ground-control rights only to the eastern side of the 124 degree longitude and China to the west of the line to comply with international customs.

But China demanded that it be allowed to exercise the right beyond the line, Kim said.

Kim denied that China demanded that the boundary should be the 125 degree longitude.

Kim refused to speculate when the aviation talks will resume, only saying that the Chinese side might be collecting opinions from various Chinese government agencies on the matter as South Korea is doing.

He admitted that the biggest obstacle to the talks is the lack of diplomatic relations between the two countries. However, South Korean airline officials predicted that direct air routes between the two countries will be opened at the latest by the first half of 1992.

Fisheries Official on PRC Violations of Waters

SK2609045091 Seoul THE KOREA HERALD in English 26 Sep 91 p 7

[Text] Chinese fishing boats violated Korea's territorial waters and the fish resources preservation zone 359 times last year, the National Fisheries Administration (NFA) said.

In a report to the National Assembly, the NFA said territorial waters were trespassed 70 times and the preservation area 289 times in 1990.

In contrast, Korean fishing boasts were involved in 70 violations of Chinese territorial waters, according to the report.

The administration said authorities initially ordered the Chinese boats to withdraw from Korean territorial waters or the preservation zone.

If they did not comply, the boats were seized, fishermen were detained and fishing devices sequestered in accordance with current law.

Chinese vessels accused of violating the fish resources preservation zone were evicted or were hauled away for expulsion after writing a statement of violation, the administration said.

Korea and China have held civilian fishing talks on three occasions since December 1988 to discuss issues of mutual concern, including emergency shelter of fishing boats.

But the fourth talks, originally scheduled to be held in Beijing last year, were delayed by the Chinese side, the administration said.

The administration said Korea will push plans to promote fishing cooperation with China, including exchanges of technology and personnel.

Korea wants to hold the delayed talks as soon as possible to discuss safety in fishing operation and emergency shelter of fishing boats, according to the NFA.

It hopes to sign an agreement on fishing cooperation which would lead to the setup of joint-venture fishing firms and allow fishing boats to operate in each other's waters if diplomatic ties are established, the administration said.

European Investments Show Increase for 1991

SK2609035991 Seoul YONHAP in English 0300 GMT 26 Sep 91

[Text] Seoul, Sept. 26 (YONHAP)—European Community investment in South Korea in the first eight months of the year was 782 million U.S. dollars, a 4.5-fold jump from the same period last year, the Korea Trade Promotion Corp. [Kotra] said Thursday.

Kotra said its Brussels branch reported that EC countries made 48 investments during the period, up from 33 a year ago.

Dutch companies invested 591 million dollars in petrochemical projects, contributing 75.6 percent of the total EC investment.

EC investment in the United States and Japan was far smaller than in Korea in the eight months—187 million dollars, up 7.9 percent, and 177 million dollars, up 3.8 percent, respectively.

Foreign Investment Breaks Downward Slide

SK2009040591 Seoul THE KOREA BUSINESS TIMES in English 27 Aug 91 p 13

[Text] Foreign investment in Korea has broken a two-year continuous downward slide, according to figures recently released by the Ministry of Finance (MOF) for the first six months of this year. However, headlines to the effect that this is good news are misleading to say the least.

American and Japanese investors are moving out of the manufacturing sector in droves, as Korean wages continue their inexorable climb. Korea recorded the world's highest wage increases during the past five years—a crippling 25.2 percent average annual growth—with hourly pay rates skyrocketing 40.4 percent in 1988 and 42.8 percent in 1989.

Partly to escape these disabling labor costs—not to mention strikes and ongoing labor disputes—and also to secure their places at the starting gate as Korea grudgingly opens its services markets, foreign investors are transferring their cash en masse into the service sector. Foreign investment in services surged 78.4 percent over the first six months of last year to reach US$ 182 million.

AT the same time, foreign investment in Korean manufacturing plummeted 18.7 percent from the same period last year, dropping from US$ 369 million to about US$ 300 million. The high cost of land has been cited as an additional reason for the general retreat from manufacturing.

Total foreign investment in Korea for the first six months of this year reached US$ 483 million in 150 different projects, representing a 2.8 percent increase in value and a 5.6 percent hike in number of projects over the same period last year.

However, it is clear that these increases merely represent a tiny net gain, as foreign cash shuns the manufacturing sector and floods into such service industries as finance, trade and insurance. This, of course, promises ill for Korea's floundering balance of payments profile.

As foreign investment makes its exodus from traditional sectors such as chemicals, machinery and textiles—export-oriented sectors which have been the bread and butter of Korea's economic expansion for the last thirty years—channeling capital instead into the fast-growing service sector will only exacerbate the country's mushrooming domestic spending.

Not only will this add to Korea's trade account woes, but economists warn the fall-off in foreign interest in manufacturing will also rapidly diminish opportunities for acquiring foreign high technology.

Foreign investment in Korean industry began to fall off significantly beginning in 1989, and the switch from manufacturing to services became pronounced last year. While in 1987 a heavy majority of foreign investment projects (321 out of 362) were in manufacturing, by 1990 the profile had reversed, with 136 investments in manufacturing surpassed by 159 in the service sector.

Late last year, the Bank of Korea reported that more foreign firms were closing down their local operation than at any time before due to rising labor costs and related factors. During the previous decade, the number of foreign firms opening offices here had been expanding at an annual average of between 15-20 percent, but had dropped to only three percent by the end of 1990.

Indicating changing regional attitudes to Korean investment, figures for the first six months of 1991 show American concerns pulling back investment by a decisive 29.3 percent to US$ 128 million, while Japanese figures fell by 4.4 percent to US$ 152 million. Meanwhile, European investment is sharply up, recording a jump of 98.9 percent for the first half year-on-year to reach US$ 185 million.

Eastern European, Chinese (PRC) and Soviet investment in Korea is increasing, though still relatively small. Totals for this group grew from US$ 600,000 to US$ 687,000 for the first six months.

Foreign Investments in Korea

			(Unit: $1,000)
Classification	Jan-April	Jan-April	B-A/A
	1990(A)	1991(B)	(percent)
Manufacturing	241,105	151,738	-37.1
Industrial chemicals	132,861	45,820	-65.5
Machinery	41,709	39,121	-6.2
Electric/electronics	22,507	12,858	-42.9
Others	44,028	53,939	22.5
Services	73,932	117,064	58.3
Trading	8,007	14,641	82.9

Foreign Investments in Korea (Continued)

			(Unit: $1,000)
Restaurants, hotels, ets.	12,469	30,905	147.9
Banking, insurance	47,358	66,534	40.5
Others	6,098	4,984	-18.3
Total	315,037	268,802	-14.7

Goals, Progress of APEC Trade Bloc Reviewed

SK2009074691 Seoul THE KOREA BUSINESS TIMES in English 27 Aug 91 p 28

[By Chang So-kan, director general of the Ministry of Trade and Industry's Internal Trade Promotion Bureau]

[Text] Just two years after the inauguration of Asia Pacific Economic Cooperation (APEC) in Canberra, Australia, in November 1989, the third ministerial meeting will take place in Seoul in November 1991. Therefore, it is both timely and appropriate to review the progress of APEC to date, to consider its future direction and to evaluate Korea's role in APEC.

Despite much talk of a "new world economic order," the trend toward formation of regional economic blocs continues unabated. The European Community (EC) is moving rapidly toward creation of a single market in 1992, and the North American Free Trade Association (NAFTA) will soon be expanded to include Mexico, thus forming the largest multi-national free-trade zone in the world.

There are also moves underway to establish trading blocs in Central and South America, Africa and Southeast Asia. Meanwhile, the Uruguay Round multilateral trade negotiations under GATT, which stalled last year in Brussels, are back on track, but with uncertain prospects of success.

Unlike other regional trade groupings, APEC was never intended to become another economic bloc. On the contrary, the goal of APEC is to remove intra-regional impediments to trade and economic cooperation, while actively encouraging global free-trade initiatives such as the Uruguay Round. The guiding philosophy of APEC, both practical and theoretical, is outward-looking rather than defensive or fortress-like.

The 12 APEC member countries account for some 40% of global GNP and 35% of world trade, compared with the EC and NAFTA which account, respectively, for 25% and 30% of world GNP and 40% and 20% of world trade. The region is marked by tremendous diversity in cultural, political, geographical and economic terms.

But this very diversity can be a source of great strength from the perspective of economic cooperation. Within the Asia-Pacific region, advanced economies such as the United States and Japan coexist with newly industrialized countries like Korea and Singapore and developing nations such as the ASEAN members. The APEC members also differ greatly in resource endowment and industrial structure.

Given such enormous diversity, there is also a high degree of economic complementarity throughout the region as a whole. In the past, the potential gains from such complementarity have not been fully realized because of intra-regional trade barriers and the lack of an economic policy coordinating mechanism for the region. APEC was formed with the intention of addressing both of these concerns.

Since its creation, APEC has held two ministerial meetings and one trade ministers meeting. During these meetings, ten practical work projects were adopted and specific responsibilities for those projects assigned to member countries. Korea was designated a so-called "shepherd" country for the Trade Promotion Project, where we have concentrated our greatest efforts, while also contributing to the other projects.

APEC is now at a critical juncture. In order to produce tangible results and consolidate its gains, APEC needs to move toward establishing a framework for a permanent secretariat as well as formulating a basic agreement or treaty on organization. The latter would need to address, inter alia, the important issue of membership of the PRC, Taiwan and Hong Kong. Agreement on a secretariat and organizational charter would give APEC a clearer focus for the long term and facilitate its future progress.

What, then, is Korea's role in this overall process? In both economic and geographical terms, Korea is well situated to play a kind of "bridging" or mediating role within APEC. Korea's developmental stage lies at the mid-point between advanced industrial countries like the United States and Japan and developing nations as the members of ASEAN.

Hence, Korea shares common interests with both its more- and its less-developed regional neighbors, which puts it in an excellent position to help resolve differences that may arise due to the varying levels of development of the APEC member countries.

Moreover, in geographical terms, Korea is located between the Asian mainland and APEC member countries across the Pacific Ocean. This fact of geography could take on considerable significance for APEC if and when the PRC becomes a member.

It is these considerations, among others, that led to the choice of Seoul as venue for the Third APEC Ministerial Meeting to be held this November. The meeting is expected to produce a "Seoul Declaration" that will chart the future direction of APEC and re- affirm its commitment to global free trade, as opposed to regional exclusivity.

Korea is proud to be an active participant in the APEC process, which we believe can serve as a building block to the establishment of a new economic order for the entire world based on free trade and multilateral cooperation.

Kim Il-song Reportedly To Visit Beijing 4 Oct

SK2609011891 Seoul CHOSON ILBO in Korean 26 Sep 91 p 1

[By reporter Kim Yong-su from Hong Kong]

[Text] It has been learned that Kim Il-song of North Korea will visit China on 4 October to discuss with Jiang Zemin, general secretary of the CPC, and Li Peng, premier of China's State Council, the matter of North Korea's possession of nuclear weapons, the establishment of diplomatic relations between the ROK and the PRC, and international inspection of North Korea's nuclear facilities.

According to a high-level Chinese source, Kim Yong-sun, secretary of the Central Committee of the Workers Party of Korea [WPK], will visit Beijing at the end of this month to consult with the Chinese about forming a detailed schedule for Kim Il-song's visit to China. This source said that during his visit to Beijing, Kim Il-song will meet Chinese leaders, including Jiang Zemin, and that, there, he will inform them of North Korea's development and possession of nuclear weapons and ask for their cooperation on this.

According to this source, Kim Il-song's visit to Beijing was earnestly discussed at a meeting between Zhu Liang, head of the International Liaison Department of the CPC, and Kim Yong-sun, secretary of the WPK Central Committee, when the former visited Pyongyang last month. At the meeting, they reached an agreement that the two countries' heads of state should meet to discuss the issue of North Korea's nuclear development and possession. The source also said that at the meeting with Chinese leaders, Kim Il-song will ask for their advice on the international inspection of North Korea's nuclear facilities, which has been a stumbling block in normalizing relations with the United States and with Japan.

On the other hand, in the 26 September edition of the FAR EASTERN ECONOMIC REVIEW, an English-language weekly magazine published in Hong Kong, was a report that Kim Il-song would visit Beijing next month to consult with Chinese leaders on the situation in the Soviet Union and on the issue of defending socialism.

* Foreign Ideas Spread Among North Korean Youth

WA2508153091 Seoul HANGUK ILBO in Korean 23 Jul 91 p 14

[By reporter Nam Yong-chin]

[Text] Despite its total closed-door policy, North Korea is greatly concerned about the gradual spread of foreign ideas among its youth.

In its 14 July editorial, NODONG SINMUN, the organ of the North Korean Workers Party, demanded "an intensification of ideological education to check the spiritual unrest among our youth." Comments like this appear frequently not only in NODONG SINMUN but also in Radio Pyongyang and KOREAN CENTRAL NEWS AGENCY [KCNA] commentaries, giving us a glimpse of the North Korean leadership's concern over the attitudes of the younger generation toward life and changes in their thinking.

On 12 July, KCNA in a commentary commemorating the 10th anniversary of the publication of Kim Chong-il's essay "Toward Strengthening the Party's Leadership Over Youth Activities," warned that "if we do not educate our youth in [the spirit of] revolution, they will be wholly imbued with bourgeois ideology, turn liberal, spend their time fooling around, and lapse into a life of idleness."

The National Unification Board, in a report on trends in North Korea to the present extraordinary session of the National Assembly, explained: "Despite North Korea's maintenance of a completely closed-door system, signs are appearing of a gradual change in the younger generation's attitudes toward life and their thinking as a result of increased information flowing in from the outside world." One example is the popularity of rock music. However, according to people who have recently visited North Korea, there are other changes, including "a sharp rise in juvenile crimes involving sex or money," and the spread of activities such as palm reading and fortune-telling through the use of playing cards.

With regard to these changes among the youth, the North Korean mass media has been urging young people to be loyal and filial youth who believe in and follow Kim Il-song and Kim Chong-il, "no matter what wind blows."

This trend toward openness among North Korea's youth is said to be coming largely via three routes. The first is through the students studying abroad who were returned to North Korea early last year from the Soviet Union and East Europe, including more than 500 from the Soviet Union, 300 from East Germany, and 150 from Poland.

These students, having come into contact with social trends in the Soviet Union and other places where there has already been a wave of liberalization, returned to experience the rigidity of North Korea's system. Although they received "reeducation" after returning, they passed on to friends what they had experienced, and this has spread little by little among the young people.

Students studying overseas who fled to South Korea from East Europe and the Soviet Union around the end of 1989 and beginning of 1990 "thought it would be difficult to return and live in North Korea after having studied abroad and coming into contact with freedom." A number of students even developed a "taste for money," obtained ginseng and other products in North Korea, and went into business. It is evident that a trend for such "pleasure-seeking" had been spreading.

The second way is through Koreans in Japan who belong to Chochongnyon [General Association of Korean Residents in Japan] or Koreans living in the United States visiting their relatives in North Korea. In 1985, North Korea enacted a joint venture law to develop its economy and obtain foreign currency, and was able to lure direct investment from foreign businesses. More than 90 percent of the direct business investment has come from companies owned by Chochongnyon members, and the number of members who have visited North Korea or have taken up residence in Pyongyang has sharply increased. Their lives are luxurious compared to North Korean residents. They drive expensive foreign cars, use the Pyongyang area's only golf course, and live in fancy dwellings, giving the local residents a sense of sharp contrast with their situation. Frequent visits to the north by Koreans living in the United States is another factor causing North Korean society to change slowly. Even though the north must pay a price for this in terms of "opening up," they welcome these visiting overseas Koreans, because they will spend $20,000-$50,000 in foreign currency.

Beginning in May 1991, North Korea raised the hotel and living expenses of overseas Korean visitors by 200 percent. If the latter make special contributions of $30,000-$50,000, they are accorded "special treatment," which includes letting their relatives who live in the provinces move to Pyongyang, or giving them a reception appropriate to a party cadre. The result is a situation in which the North has no choice but to tolerate a certain amount of the "U.S. imperialist and South Korean smell" that clings to the overseas Korean visitors.

Third, waves of liberalization are flowing in from China to a limited extent as well. China began opening itself to the outside world in 1979. It now sanctions, though only partially, stores run by individuals, and is mass producing and popularizing TVs and other household electrical appliances. Since the 1980's North Korea has sought to follow the Chinese rather than Soviet development model, and these waves of materialism are being conveyed to the North through places like the Sino-Korean border cities of Dandong, Wonmun, and Yongil. Although North Korea completely prohibits its people from travelling overseas, when the Socialist Youth League or some student committee receives an award, they are allowed to travel to China, and it is believed that a picture of China's changing situation is being brought in through them.

The North Korean authorities are dealing with this influx of foreign ideas by strengthening ideological indoctrination and permitting a limited amount of liberalization. In 1985, the North Koreans, as an active countermeasure, opened a nightclub in Pyongyang's Koryo Hotel to college students. A disco craze hit the college campuses, until the measures were rescinded a few months later.

Recently North Korea has been encouraging its youth to play Korean checkers [badug] instead of Western card games, and has set up a large amusement hall in Pyongyang with 100 electronic games. This is presented as "nurturing the scientific thinking of our young people," which in its own way can be seen as a link in their program to raise healthy and sound youth.

* Kim Chong-il's Titles Analyzed

912C0263 Seoul CHUNGANG ILBO in Korean 1 Jul 91 p 9

[Text] Amid predictions that Secretary of North Korean Workers Party Kim Chong-il will truly succeed his father President Kim Il-song at the "coronation" next year, Kim Chong-il's title has been changing—a noteworthy trend.

The peculiarity of the father-and-son Kim's titles is a well-known fact in North Korea.

In general, Kim Il-song is called "the great leader [suryong]", "the fatherly leader [suryong]," "the respected and beloved leader [suryong]," and "the gifted leader [suryong] of revolution."

Other titles used alongside include "the great ideological and theoretical person of the mankind" and "the great helmsman of world revolution."

On the other hand, Kim Chong-il has been called "the dear leader [chidoja]," "the respected and beloved leader [chidoja]," and "the sagacious leader [chidoja]."

However, Kim Chong-il has not been called "the leader [suryong]," yet.

This is because only one person can be "the leader [suryong]" according to the North Korean "leader theory." Therefore, the title will certainly change at the coronation.

Based on the logic thus far, Kim Chong-il is expected to inherit the title "leader [suryong]" at the coronation.

However, some people say that things could change because of Kim Il-song's special position in Korean society and depending on how the internal reform movement goes.

In other words, a new adjective could be used before the term "leader [suryong]," or another word could be chosen.

In view of this, let us take a look at the concept of leader [suryong] as used in North Korea and the changing titles of Kim Il-song and Kim Chong-il.

Leader Theory—The dictionary definition of leader is "head of a party or a group."

In North Korea, however, the meaning of leader [suryong] is not so simple.

In North Korea, a leader [suryong] is "a supreme helmsman of the working-class party and of the masses of people."

In July 1987, Kim Chong-il likened leader [suryong] to a human brain in his essay, "On a Few Problems That Arise in Indoctrination of the Chuche Ideology," and defined leader [suryong] as follows.

"A person's center is his brain. Likewise, the center of a social and political group's life is the group's supreme brain—the leader [suryong]. This is because the leader is the central commander of its lifeline. The leader is the supreme head of a social and political lifeline and represents a group's life. Therefore, the leader demands an absolute and unconditional faithfulness and camaraderie."

In other words, the party that guides the people is the lumbar, and the party's leader is the brain.

Thus, leader no longer means simply "one person," but has become an "abstract concept." **Titles for Kim Il-song**—Until the mid-1960's, an official title was used in most cases, and at most, certain titles were occasionally used to heighten the personal authority as a supreme power holder.

He adopted the title of premier from official documents and books, and then he called himself "Premier Kim Il-song."

However, since a monolithic government system was established at the end of the 1960's, various titles were used.

Until the beginning of the 1970's, only a few titles like "the great leader [suryong]" or "the respected and beloved leader [suryong]" were introduced. Since then, dozens of titles appeared, such as "the people's sun" and "the red sun of world revolution."

Titles for Kim Chong-il—On 20 June, the North Korean Central News Agency called Kim Chong-il "a person in the top position [suwi] of revolutionary arms."

The news agency used such expression on the North Korean Army Artillery Day while saying that the artillery force has grown, under the leadership of the father-and-son Kims, into an "invincible force that can match for a hundered forces."

From this, we can sense that Kim Chong-il is fast coming into the military power.

Since Kim Chong-il became seriously involved in the party work in the 1970's, he was called the "party center." Since then, a variety of titles have appeared.

The most widely known title was "the dear leader [chidoja]," but "the great helmsman" was added in 1990.

Recently, in particular, he has been frequently referred to as "the great leader [chidoja] to succeed to the great work of chuche."

This is a consequence of the "leader theory" that is known in North Korea, and it means that only Kim Chong-il can succeed to the chuche ideology.

In addition, other titles used for Kim Chong-il include "General Kim Il-song's successor," "son of the 20 million people," and "the Independence Paekdu star."

Outlook—There are several predictions on the dates for power transfer in North Korea.

One of them is this: Kim Chong-il will be elected as general secretary at the seventh party convention in 1992, and then will be elected as president at the 10th assembly of the Supreme People's Assembly which is scheduled for 1993.

This prediction is based on the following analysis: 1) Because the concept of "retirement from public life" is not applicable to President Kim Il-song, who was elected as president in 1990 for a four-year term, he must fully perform in the position; and 2) Kim Chong-il has hardened the party structure sufficiently so that the real power of the party can be truly handed over.

Thus, it is diffficult to assign a uniform title for Kim Chong-il.

A government official said, "If Kim Chong-il succeeds to the position of general secretary in 1992, I think he could be given the title 'leader' [suryong] as it is used in the phrase 'party leader [suryong]'!"

However, most analysts predict that the title "leader" [suryong] would not be assigned unless the "presidential authority" is also transferred.

North, South Pursue Tourism Development Project

SK2009072791 Seoul THE KOREA ECONOMIC WEEKLY in English 16 Sep 91 p 14

[Text] South and North Korea are jointly pursuing a Northeast Asian tourist development project to open a luxury pleasure boat line linking famous tourist spots in South and North Korea, China, the Soviet Union and Japan.

Tourism industry sources say that Aju Tour Co. of South Korea recently began negotiations with North Korean tourism authorities and a tourist company in the North on the project, based on the approval from the National Unification Board (NUB).

The two sides are now working on details of the pleasure boat project, such as courses and frequencies. Operations will likely begin next June at the earliest, the sources said.

One course will be selected of the two, now under consideration: one linking Pusan-Wonsan (or Pyongyang including inland tour of Mt. Kumgang)-Vladivostok-Sakhalin-Tokyo-Kobe-Cheju Island-Pusan and the other linking Hong Kong-Xiamen-Shanghai-Qingdao-Tianjin-Nampo-Cheju Island-Vladivostok-Wonsan (including inland tour of Mt. Kumgang)- Pusan.

Regarding this project, Aju has negotiated with several European pleasure boat companies, such as Ocean Cruise Line of England, and received affirmative responses from some of them.

The North is also reportedly actively contacting Soviet and Western tourist shipping firms for the project.

Chondaehyop To Participate in Assembly Elections

SK1909143091 Seoul HANGUK ILBO in Korean 18 Sep 91 p 23

[Text] The National Council of University Student Representatives [Chondaehyop] (Acting Chairman Yi Chol-sang, 24, president of the Seoul National University's General Student Council) gave a news interview at the Yonsei University General Student Council's office on 17 September. During the interview, Chondaehyop said: "In solidarity with the merged opposition Democratic Party and all the dissident forces, Chondaehyop will positively participate in the general elections for the 14th National Assembly."

Chondaehyop also said that Miss Pak Song-hui (21, senior in the Music Composition Department of Kyonghui University) and Mr. Song Yong-sung (22, senior in the Administration Department of Konguk University), who had been staying in North Korea as its representatives, would return on the "Day of Students," which falls on 3 November.

Student Group Vows To Struggle for N-S Meeting

SK2609033391 Seoul THE KOREA HERALD in English 26 Sep 91 p 3

[Text] An activist students' group in Seoul yesterday said that it will carry out a struggle to realize the exchange of South and North Korean students "in an independent way without interference of a third party."

Denouncing the government's move not to allow the scheduled visit to the North by South Korea's Konguk University students, the group, Sochongnyon, alleged that the move stems from "an attempt (of the government) to monopolize the debate on the unification issue."

At the truce village of Panmunjom Tuesday, Konguk students and their North Korean counterparts agreed that Konguk students will visit Communist North on Oct. 8-15.

Opposition Threatens To Boycott Assembly

SK2409031991 Seoul THE KOREA TIMES in English 24 Sep 91 p 2

[Text] Democratic Party [DP] yesterday threatened to refuse an ongoing parliamentary inspection of the administration's business if the government party would go on killing the DP's proposals to bring several people to the witness stand.

DP floor leader Kim Chong-kil said, "We will walk out of some standing National Assembly committees in which the Democratic Liberal Party [DLP] keeps hampering our activities by means of its numerical superiority."

He further said that the sole opposition party would withdraw its members from all the annual inspection sites, should the DLP ignore its threats.

DP legislators tried to bring Hanbo business group chairman, Chong Tae-su, to the witness stand with regard to his bribery scandal involving government officials, and other people as witnesses in several committees but failed due to objections by the DLP, which referred their attempts to votes.

The parliamentary inspection is scheduled to end next weekend, to be immediately followed by review of the government hudget plans and interpellation of Cabinet members.

Book Discusses Military, Defense Industry Faults

SK2309023991 Seoul THE KOREA HERALD in English 19 Sep 91 p 3

[By staff reporter Yi Song-yol]

[Text] A rare book on Korean military affairs has been at the top of the best-seller list during the past four weeks, "embarrassing" some ranking military officers and at the same time "hailed" by many young officers.

The book, the first of its kind, discloses and makes cynical remarks about various areas of military affairs, which had long remained a "sacred area," including problems in budget and accounting of military and other government sectors and in domestic defense industries.

The writer, Chi Man-won, a retired Army colonel, suggests in the book, "Where Should the Korean Military Go," that the Defense Ministry directly buy only 20-40 F-16s for the Korea Fighter Program (KFP) for improvement of air defense capability and change the partner of the next-generation fighter program from the United States to, say, the Soviet Union or France, in order to develop the domestic aerospace industry.

He insists that it would be a misunderstanding to expect that the KFP would contribute to the development of Korea's aerospace industry, contrary to what the military has said.

Chi, 50, who calls himself system analyzer, says the domestic defense industry is not ready to digest state-of-the-art defense technology even though the U.S. side transfers it. He alleged that the United States is not a good partner as far as technology transfer is concerned for this reason.

Chi, a Ph.D in operations research, also points out the backwardness of the government's budget management and auditing, stressing the need for budget reforms of the Defense Ministry.

"Instead of a mere good-or-bad formula, I would just like to give them (government officials and military officers) the idea of systematic approach or systematic structure to what they are doing," Chi told The Korea Herald yesterday.

"I am sorry if my book displeased some (in the military), but I hope the book would be read by military officers as a textbook, instead of such books as 'Arming America,'" he added.

In the book, Chi touches wide-ranging issues of military affairs, from the problems in management of defense budget to technology backwardness of the domestic defense industry.

His book, timed with the suggestions made by the Korea Federation of Industries and the Korea Institute of Science and Technology for a reduced defense burden, invited considerable repercussions from the readers.

As for the defense budget, Chi suggests structural problem should be corrected, adding he does not demand unconditional reduction of the defense budget.

For example, he says; "A ranking official well read in financial affairs was once named as mayor of a small city, and his staff said the city should purchase trucks of paint. He said no because he saw in the city warehouse lots of paint. But the staff said that if the city returns the money for paint, the item in the following year's budget would disappear, and once it disappears, restoration would be extremely difficult. The staff also said the city would have to give written explanations to higher organs on why it did not execute the budget for paint.

Hearing this, the mayor agreed to buy trucks of extra paint."

Chi says the old budget and accounting act and the structure of budget items should be rectified, and the way the Economic Planning Board controls budgets of government ministries should be changed.

He also points out that defense industries have "simply assembled" foreign parts and now lack in the capability of producing some core parts of defense items.

Chi also says that it would be very difficult to improve domestic aerospace technology through the $5.2-billion KFP.

"Samsung Aerospace, the prime contractor, should build an assembly line as large as that of General Dynamics, and Korean subcontractors will also have to build similar facilities as those of the U.S. subcontractors, but no company can build such large facilities just for making parts of 72 F-16s," he says.

The KFP starts with direct purchase of 12 finished F-16s in 1994, and Korean firms will assemble 36 fighters with kits provided by the U.S. firms and produce under license the remaining 72 F-16s.

Chi says in the book that it would be very difficult for Korea to expect the Americans to provide advanced defense technology, suggesting that the Defense Ministry buy 20-40 finished F-16s if it wants to improve air defense capability.

He also suggests that the ministry change partnership from America to other countries if it wants to improve domestic aerospace industry.

Early this year, the ministry announced its selection of P3C of U.S. Lockheed as its prime maritime patrol aircraft [MPA], but the production line of that MPA had already been closed and Americans knew they could not supply Korea with P3Cs, Chi says.

The U.S. side pressured Koreans to buy the P3C instead of French Atlantique-2 in order to deter or delay the French defense item's landing in this country, according to Chi.

It has not been confirmed whether Chi was right and correct in his disclosures and suggestions, but his book will serve, at least, as "friendly advice" to the military, as Chi puts it.

A Defense Ministry spokesman says that "everybody is entitled to give advice," welcoming the publication of the book.

While some aged military officers refrain from commenting on the book, many young officers hail the situation which has enabled its publication and hope many more such books would appear for the sake of the military.

'Superfluous' Generals Waste Military Funds

SK2609055091 Seoul THE KOREA HERALD in English 26 Sep 91 p 3

[Text] There are 58 "superfluous" generals in the Armed Forces, causing waste in the defense budget and problems in the decision-making process.

A Defense Ministry source said yesterday that most of the supernumerary generals are working on temporary committees or task forces.

Their pays are not included in the official defense budget and funds from other areas in the Defense Ministry budget are diverted for them, he said.

The source also said that the ministry recently found there are 58 more generals than in the table of organizations, adding that more colonels than are needed have been promoted during the past 10 years.

In 1989, for example, 53 colonels, seven more than the reasonable number of 46, were promoted, he said.

In December last year, 47 were promoted to brigadier generals, though the National Assembly's Defense Committee had pointed out that the appropriate number of promotions was 46, the source said.

For their pay and allowances, the ministry diverts cash from other areas of the ministry's budget.

* Local Elections Usher in Era of Conservatism

912C0268A Seoul CHUGAN CHOSON in Korean 21 Jul 91 pp 10-14

[Article by reporter Yi Chin-Kwang: "Paradigm Change in ROK Politics Ushers In an Era of the Conservative Right—Politics in the Aftermath of the Ruling Party's Landslide Victory in the Provincial-Municipal Elections"]

[Text] ROK politics is rapidly leaning toward conservative right. Observers say that the tendency toward conservative right manifested in the base-level elections became even clearer in the provincial-municipal level elections. Currently, there is an ongoing argument within the ruling party as to whether the 14th National Assembly election should be held next February or next April, and the consensus of opinion is that there will be a similar trend toward conservative right in the coming general election. It is also the dominant view that the same trend will also prevail in the presidential election which will be held toward the end of 1992.

From a macroscopic point of view, this trend is not something transitory. Some interpret it as a natural phenomenon appearing in the process of shift in our social structure from one historical stage to the next.

Outcome of Elections Represents Natural, Not Transitory Phenomenon

In other words, analysts say, if we had two different political paradigms in ROK politics in our country, one in the period from liberation in 1945 to the birth of the Third Republic by the 16 May coup, another in the period from the installation of the military regime of the Third Republic to the formation of the DLP [Democratic Liberal Party], a mammoth conservative ruling party which came into being through the three-way merger (the Democratic Justice Party [DJP], the Reunification Democratic Party [RDP], and the New Democratic Republican Party [NDRP]), what has transpired since the birth of the DLP has clearly been a political phenomenon manifested under a new paradigm different from the earlier ones.

The year 1945 may be said one in which as far as outward appearances were concerned, our people were freed from the double yokes of the feudal and colonial social structures with no plans for the future agreed upon by the members of the society. To all appearances, particularly in terms of political system, our people cast off the outer shells of the feudal social structure and the colonial social structure. But, in substance, particularly in structural terms, our society was far from the structure of civil society which appeared in the stage of development of West European democracies.

Our country was integrated into the worldwide cold war structure with the outbreak of the Korean war in 1950 as momentum, when the distorted form of feudal and colonial social structures remained intact. And in the 1960's, our country went through a rapid process of industrialization under the so-called "development-oriented dictatorship" of the Third Republic. The process of industrialization of this type continued through the Fifth Republic, which came into being in the aftermath of the 12 December mutiny, the 17 May military coup, and the bloody suppression of the Kwangju Democratic Movement.

In this process the antiestablishment forces challenged the regime several times, and the forces in power launched counteroffensives. Roughly, the following events were the crucial moments which our people went through: the 19 April student revolution; the running of Kim Tae-chung, current chairman of the Democratic Party, as candidate for the 1971 presidential election; the subsequent election of the Seventh National Assembly (whose term ran from June 1971 through December 1972) in which the ruling party was in the minority; the 1979 Pusan-Masan incident; the so-called Seoul Spring from 26 October 1979 through May 1980; the RDP whirlwind in the 12 February 1985 general election; the June democratic resistance; the 1987 presidential election; and the 26 April 1988 election of the 13th National Assembly, the first half of whose term was dominated by the opposition.

These challenges posed by the antiestablishment forces led to related political developments on each occasion. To cite typical examples, the 19 April student revolution led to the 16 May military coup; the good fight put up by Kim Tae-chung in the 1971 presidential election and the gain made by the opposition in the Seventh National Assembly to the Yusin dictatorship; the Pusan-Masan incident to the 26 October incident [assassination of President Pak Chong-hui in 1979]; Seoul Spring to the emergence of the forces of the Fifth Republic; and the June democratic resistance to the 29 June proclamation [in 1987]; and the ruling party in the minority in the first half of the term of the 13th National Assembly to the birth of the DLP.

Among the experts who have analyzed the tendency toward conservative right manifested in the two-level elections following the reinstitution of local autonomy from various angles, there is general agreement that this tendency is a natural concomitant of the paradigm change or paradigm shift.

Analysts say that if President Syngman Rhee's Liberal Party government was one paradigm, President Pak Chong-hui's Republican Party government and President Chon Tu-hwan's DJP government represented new types of power resulting from shifts in the paradigm.

According to these analysts, the 19 April student revolution and the resultant Chang Myon cabinet's Democratic Party government were the watershed events which occurred in the transitional period of paradigm change.

By the same token, if the rule of the Pak Chong-hui and the Chon Tu-hwan regimes—the two basically have the same attributes—are one disparate paradigm, the rule since the birth of the DLP in January 1990 should be regarded as the beginning of a new climate of governing falling under a new paradigm. Accordingly, the June 1987 democratic resistance, the 1987 presidential election, and the phenomenon of the ruling party in the minority in the first half of the 13th National Assembly elected by the 26 April 1988 general election may be viewed as major political developments which took place in the transitional period of paradigm change or shift.

No Problem of Legitimacy for Syngman Rhee Regime, Sixth Republic, but Their Foundations of Existence Differ Vastly

Analysts with this view of paradigm change take note of the fact that the Pak Chong-hui and Chon Tu-hwan regimes were incessantly involved in controversies over their legitimacy, whereas the Syngman Rhee regime and Present No Tae-u's government of the Sixth Republic faced relatively little challenge or controversy over the issue of legitimacy. In other words, these analysts say, the Syngman Rhee and No Tae-u governments occupied a relatively superior position compared with the Pak Chong-hui and Chon Tu-hwan governments in terms of challenge over the legitimacy issue. Nevertheless, there is a world of difference between the structures of the social foundations on which the Syngman Rhee regime and the No Tae-u regime each stood. For this reason, experts say, the basic tendency toward conservative right which set in at the beginning of the second half of the term of the No Tae-u regime represents a brand new phenomenon in the political history of the ROK, entirely different in character and property from the tendency seen in the second half of the term of the Syngman Rhee regime.

Experts are of the opinion that the tendency toward conservative right which emerged distinctively with the defeat of the NDP [New Democratic Party] and the landslide victory of the DLP in the recent provincial-municipal level elections as momentum should be regarded as a major development of epochal significance in ROK political history. They say this is because under the circumstances in which our social structure is being diversified and stratified in the wake of the process of industrialization, this tendency points to the clear signs that party politics is gradually settling into a distinctive mechanism of the mammoth ruling party of the conservative right vs the weak opposition party of the centrist right wing. This analysis is substantiated by these factors: the inability of the Democratic Party, another conservative right-wing party, and the failure of the Masses Party, a conservative leftist party, to enter into the political mainstream, and the distinctive weakening of the ultra-leftist force.

General analyses of the outcome of the provincial-municipal level elections did not delve into the composition and substance of the election results. Of the 15 provincial and major city assemblies, the NDP holds a majority in three local assemblies, namely, the Kwangju municipal assembly and the South Cholla and North Cholla provincial assemblies. A simple arithmetic computation shows that the NDP dominates 3/15, or 20 percent of the total provincial and major city assemblies. But in substance, it is correct to say that the NDP accounts for less than 1/10 of the total strength in these assemblies. It must be noted that the NDP barely seized one city and two provinces which have a low degree of financial self-sufficiency and which are not of great industrial strategic importance. The DLP, on the other hand, won an unprecedented landslide victory in the Seoul, Pusan, Kyonggi, and Kyongnam areas—the areas which enjoy a high degree of financial self-sufficiency, which represent the vital sections of the industrial society, and in which the process of social diversification and stratification has progressed relatively faster, with the resultant accentuation of the mechanisms of social contradiction and conflict. This fact requires a more detailed scrutiny and analysis.

In the opinion of experts, when local autonomy takes deep roots as in the process of grass-roots democracy, the basic foundation of local autonomy will become as sturdy as the roots of the grass, undergoing little change in its basic structure. In the case of state and local elections in the United States, the number of the reelected is approaching 90 percent; and the figure is near 80 percent in the case of Japan. In addition, experts say that there is not much chance of forming a reform-minded political force in the local community because the main concerns of local assemblymen are limited to local demands and issues.

Support for NDP Plummets in Non-Honam Areas

Another important fact is that support for the right-of-center NDP has markedly waned. This phenomenon is most conspicuous in areas other than Honam. Analysts say the fact that support for the NDP among the natives of Honam residing in non-Honam areas is diminishing, presages that in the absence of clear signs of reversal, the structure of the conservative right will be sustained for a considerable period of time in the future. Regarding the results of the recent elections of provincial and major city assemblies, the NDP contends that it did suffer a miserable defeat in terms of the number of seats won, but the percentage of people supporting the NDP either remains unchanged or has increased somewhat. Nevertheless, in reality, the sharp drop in the percentage of votes cast for the NDP indicates that the absolute number of people supporting the NDP has decreased.

In the 13th National Assembly election (the 26 April [1988] general election), the two opposition parties, namely, the then RDP and the PPD [Party for Peace and Democracy], excluding the NDRP, accounted for 55 percent of the total votes cast. In the recent provincial-municipal level elections, the two right-of-center opposition parties, namely, the NDP and the Democratic Party, polled about 35 percent of the total votes cast. In view of the drop in the percentage of the seats won by and in the percentage of votes cast for these two parties, analysts say it is correct to conclude that the absolute number of people supporting these two right-of-center parties has decreased.

As mentioned earlier, experts maintain that the birth of the DLP through a three-party merger should be regarded as the point of departure for a new political paradigm in the ROK. This is because they pay attention to the fact that with the emergence of the DLP, controversy over the legitimacy of the No Tae-u administration as a structural issue has subsided.

Some claim that the 29 June proclamation and the presidential election in 1987 mark the moment in time at which the legitimacy issue began to subside. However, it is problematical whether or not that moment in time should be defined as the beginning of a new paradigm because the controversy over the legitimacy issue continued as the government party fell into the minority status in the National Assembly in the aftermath of the 26 April general election.

The three-party merger marked a watershed event in the sense that some of the right-of-center force (the then RDP) joined the conservative right (the then DJP), and the significance of this event has been attested by the outcome of the two nationwide local elections held since the birth of the DLP. In other words, the paradigm change has demonstrated its might in the two local autonomy elections.

The legitimacy issue did not become an election issue in the two recent nationwide local autonomy elections for the first time in our political history, a fact which is of great significance. The failure of the opposition to adapt itself to the new political structure based upon a new paradigm devoid of the legitimacy issue has precipitated the collapse of the opposition.

The tendency toward conservative right is structural in ROK politics because the opposition is unable to adapt itself to the paradigm change. Observers are in general agreement that this tendency, which has set in, will operate as a "vicious cycle" for the opposition. They predict that there will be considerable difficulty in drawing new personnel and material resources into the opposition, and this in turn will lead to the further decline of the opposition.

Some speak of the tendency among the young people to prefer the progressive force, but many point out that this is a superficial analysis. In some quarters of the opposition, they entertain a wishful thinking that only if it polls more votes from young people, is it possible for the opposition to gain ground. No detailed data are available on the pattern of voting by age categories in the recent provincial-municipal level elections. But analyses of the polls taken by several pollsters following the election preponderately indicate that young people have no particular preference for voting for the progressive force.

Military Hegemony Wanes; Power of Government To Grow

To cite an example, a public poll on the political mentality conducted by Korea Gallup Institute at the request of the Futurological Research Institute (headed by Kong Song-chin, professor at the Hanyang University School of Government Administration) shows that of the two concepts of stability and reform, the percentage of people who prefer stability is as high as 72 percent among youths in their twenties, not much different from the average figure of 78 percent. Among people in their thirties, who are the vital section of our society, 78.2 percent prefer stability to reform, indicating that the opinions of people in their thirties are closest to the opinions of the average people in the country. This is also borne out by the fact that the younger the pollees, the higher the percentage who hold the negative view that the opposition has failed to contribute to the process of democratization (50.1 percent among people in their twenties, 53.4 percent in their thirties, 43.6 percent in their forties, and 42.5 percent in their fifties).

Of the structural characteristics of ROK politics—which is tilting toward a long-term conservative tendency and which works in a paradigm distinct from the past—it is noted that with improvements in North-South relations and the collapse of the East-West cold war structure, the tendency is becoming more and more conspicuous that the military hegemony over the conservative ruling bloc is relatively weakening and the powers of the administration are expanding. It is expected that the country will move into the full-fledged process of structural realignment commensurable with the tendency toward conservative right, through these forthcoming events: the 14th National Assumably election, the election of the heads of provincial and municipal governments, and the presidential election all scheduled for 1992. Many believe that this process of structural realignment will take quite a long time.

It is expected that this tendency toward structural realignment will be backed up the ROK economy, which has a far greater staying power and dynamism than the reformist movement camp has hitherto thought, and by the international climate characterized by the sustained gain in conservative politics in the United States and Japan.

It is also expected that in this process of structural realignment, election will clearly establish itself as the core instrument of governing, and that the human rights issue, which was an important element in the paradigm of governing in the case of the Pak Chong-hui and Chon

Tun-hwan governments, will lose its weight considerably. In addition, the influence of the press will continue to increase, and rule through the press and public opinion will establish itself as an important pillar for the new paradigm of governing and the range of acceptance of the three basic rights of workers will tend to increase gradually.

Even many of the reformist theoreticians agree to the view that if these conditions continue, it will be difficult for a considerable period of time for right of center or left of center parties or the radical left to expect to gain strength.

Businessmen Arrested for 'Environmental Crimes'

SK2409030091 Seoul THE KOREA TIMES in English 24 Sep 91 p 3

[Text] Chonju—The district prosecutor's office here yesterday arrested four officials of the Oriental Chemical Industry's TDI (toluene di isocynate) factory in Kunsan, Chollapuk-to on charges of committing environmental crimes.

The four are plant manager Son Sok-won, 52, Kim Sang-yun, 42, Yu In-pae, 40, and Yi Yong-sok, 28, all in charge of production. Four others were booked on similar charges but released without physical detention.

Oriental Chemical was found to have leaked the poisonous TDA (toluene di amine) into nearby farmland, causing extensive damage to crops and endangering the lives of farmers.

Investigations by the Environment Ministry and the Korea Advanced Institute for Science and Technology (KAIST) revealed last week that the discharge was the result of improper management and operation of the production and treatment facilities.

The facility resumed production under special surveillance by the Environment Ministry although farmers have been demanding that it close down permanently.

Government Disciplines 1,753 Civil Servants

SK2509043591 Seoul YONHAP in English 0225 GMT 25 Sep 91

[Text] Seoul, Sept. 25 (YONHAP)—The Governmnet Administration Ministry said Wednesday that 1,753 civil servants were disciplined in the first six months of the year.

In a report to the National Assembly, it said 91 civil servants were fired, 116 relieved of their positions, 129 suspended, 439 received pay cuts and 978 were reprimanded.

Ninety-five of them were grade five or above and 1,373 were grade six or below, it said.

At the top of the list, neglect of duty accounted for 756 disciplinary actions, followed by behavior unbecoming of civil servants (300), bribery (224), breach of regulations (196), dereliction of duty (84,) forgery or alteration of public documents (45) and abuse of official power (31).

The Home Affairs Ministry had the worst record with 1,207 officials, including 556 police officers, disciplined, followed by the Justice Ministry (112), Education Ministry (85), National Tax Administration (63), customs office (21), Labor Ministry (9), Construction Ministry (6) and Board of Audit and Inspection (3).

Cabinet Finalizes 1992 Budget Bill

SK2609035891 Seoul YONHAP in English 0315 GMT 26 Sep 91

[Text] Seoul, Sept. 26 (YONHAP)—The government Thursday finalized its budget bill for 1992 at 33.505 trillion won (46.213 billion U.S. dollars), a 24.2 percent increase from this year.

The bill puts the ratio of taxes to national income at 19.6 percent next year, up 0.1 percentage points from this year. Per capita tax payment is hiked 14 percent to 1,018,000 won, topping 1 million won for the first time.

The cabinet passed the budget bill in a meeting chaired by Prime Minister Chong Won-sik and will submit it to the National Assembly for approval after it is sanctioned by the president.

The increase of 24.2 percent over this year, 6.8 percent if the two supplementary budgets are counted, is the highest since 1981, when the budget grew 35.3 percent.

The bill is likely to trigger disputes between the ruling and opposition parties.

Internal tax revenue was estimated at 28.862 trillion won, up 25 percent, customs duty revenue at 3.537 trillion won, up 5.8 percent, and non-tax revenue at 1.042 trillion won, up 23 percent.

Defense surtax was put at 62.2 billion won, down 95.2 percent.

The budget stresses infrastructure expansion, agricultural investment, manufacturing and technological competitiveness and environmental improvement.

In addition, a special account budget of 18.473 trillion won was also finalized.

The total of the general and special account budgets is 51.978 trillion won, up 11.4 percent from this year's 46.665 trillion won .

The special account contains 1.122 trillion won for the improvement of farm and fisheries towns, and the allocation to local governments was lifted from 557 billion won to 1.25 trillion won.

In the general account, the proportion of "rigid" expenditures for items such as defense and personnel grew from 62.3 percent to 66.7 percent, and the portion for projects was cut from 37.7 percent to 33.3 percent.

Interview With EPB Minister on Monetary Policy

SK2309020491 Seoul THE KOREA ECONOMIC WEEKLY in English 9 Sep 91 p 6

[Interview with Choe Kak-kyu, deputy premier and minister of the Economic Planning Board (EPB) by M. H. Chong and H. W. Sin—place, date not given]

[Text] Q: Why did Korea's current account deficit worsen? A: First of all, I am worried about rapidly growing imports following the market opening because imports can not be offset by exports. Korea's current account deficit during the first half of this year was $5.84 billion and what is worse the target ($3 billion) set for the second half will be far exceeded considering the steadily deteriorating balance of international payments. Q: Any solutions? A: We can not stop market opening and are not in a position to do so. Thus, all we can do is to figure out how to wisely tackle such difficulties.

As long as the market opening is an irreversible world trend, the ball stops at domestic consumers and enterprises: just buy Korean products unless their quality is far inferior to the imported ones and to produce competitive products. Q: What about changing the exchange rate to boost exports? A: We can no longer change exchange rates in favor of the Korean won. But if Korea's trade deficit continues to widen, the Korean won will be naturally devalued as a result of the market function.

The only measure to be considered by the government is to repress total demand through controlling the ratio and amount of "import loans" which have encouraged excessive imports in both consumption and investments. Q: How do you foresee the final conclusion of the agricultural sector opening at the Uruguay Round [UR]? A: As for the most controversial issue of agricultural sector opening in the Uruguary Round, the Korean government is ready to negotiate with foreign countries, represented by the U.S. But the Korean government's official attitude is that imports of rice will remain a NTC (non trade concern)-related product as rice is the most important staple grain in Asian countries including Korea and Japan.

The delay of UR conclusion late last year was mainly due to the differences in views between the U.S. and the European Community (EC) rather than rice problems. Q: Some international organizations such as the IMF reportedly suggested the Korean government to adopt a retrenchment policy. A: Korea is not experiencing unbalanced finances. Although the budget for the coming fiscal year, in terms of general account volume, is up 35.3 percent over this year, the highest since 1981, the real growth is only 5.7 percent as the supplementary budget will not be considered for next year. The government does not intend to expand its budget by creating new tax items or raising tax rates. On the other hand, it has so far reduced some tax rates such as earned income tax. Q: What about the money supply this year? A: The government will maintain the growth of total money supply at 17-19 percent this year despite the pending difficulties like high interest rates and reduced direct financing. Q: How do you foresee future relations between Korea and USSR? A: As long as the USSR is moving toward democratization, reform and openness, economic relations between Korea and the USSR will improve on a long-term basis. But considering the rapid political changes in the USSR, it is necessary for us to closely monitor developments in the country and prepare for flexible measures for potential risks. At present, the already agreed projects will be carried out step by step according to the schedule. Q: Some people say that it is necessary for the EPB to restructure itself to fit the changing domestic and world environment. A: The status of the EPB will have to be adjusted in order to keep abreast with the changing domestic and overseas economic environment-openness and economic freedom.

Unlike the other government offices, an external-oriented mind is needed for the EPB in making economic policies and implementing them in a direction to enhance economic autonomy and strengthen our competitiveness at home and abroad. Q: Any plans to remove social and economic problems incurred during the developments in the past decades? A: I feel that fair distribution of wealth and social equality are also key problems to be achieved along with economic development in the future.

Economic Measures Called 'Short Term' Remedy

SK2009082591 Seoul THE KOREA TIMES in English 20 Sep 91 pp 7, 6

[By staff reporter Choe Song-chin]

[Text] Will the government's latest set of economic measures be able to bolster Korea's staggering economy saddled with a yawning trade deficit and galloping inflation?

Probably so, but only in the short term, analysts here say.

Unless the incumbent economic team of President No Tae-u comes up with more fundamental and structural remedies, yesterday's policy package will be nothing more than another makeshift step, one more patch on the already worn-out economic fabric, they said.

The policy set reported by Deputy Prime Minister Choe Kak-kyu to President No to combat inflation and narrow trade loss call for, among other things, the tightening of the money supply in the remainder of 1991, increase of limits on tax-free savings, stricter control on loan extension to large projects and freezing of foreign currency loan for machinery imports.

The hurriedly-made steps, the second such announcement in two weeks at the urging of the chief executive to reflect the public concerns over a faltering economy, represents in fact an about-face of the government's economic management which has focused only on growth, analysts said.

"The unstable economic situation facing this country is actually the result of its too-fast economic growth in the last several years," says Yong Su-kil, a senior fellow at the Korea Development Institute [KDI], a government-financed economic think tank.

Between 1986 and 1988, the Korean economy recorded dizzying double-digit growth, doubling the people's disposable income and fanning consumption, Yong said. That in turn raised the workers' wages, pushed up inflation and had domestic firms switch to the domestic market instead of exports, in a "vicious circle" of harmful economic factors.

The high growth itself was beyond the desirable level but more worrisome was the "content" of such growth, marked by abnormal growth of service industries while crippling manufacturing lines, he said.

"All we can hope for at this moment, however," he said, "is that the government will be able to maintain its turnaround toward deceleration tone, the economic expert said.

Yong said bigger worries lie in the next year's economic situation, when parliamentary and mayoral elections will be held, triggering rampant inflation, he said.

Considering the heavy cash demand in the forthcoming months, the government's proposed money supply growth goal of 18.4 percent will be hard to attain, he said, let alone be kept through next year, the KDI fellow said.

The assertion that the government mishandled "black ink" figures in the 1986-1988 period finds a voice of assent in another economic analyst.

"The then economic team should have controlled the export-led growth by sharply appreciating the won currency, while cautioning not to hurt the export competitiveness of Korean companies," said Chong Sun-won, a research fellow at Hyundai Research Institute.

Chong said, "I do not know whether the officials were aware of the point or not, but the huge trade surplus caused U.S. trade complaints which was followed by too steep appreciation of the won under external pressure, which in turn drastically eroded the competitiveness of Korean export goods, he said.

The latest fuss among the government economists is in part caused by their different points of view over the direction of the nation's economy, and the wide-apart sense perceiving the present economic "crisis."

President No himself, who harshly blamed his economic team for doing little to rectify the present situation only days ago, was said to become softened, in yesterday's briefing session, in which he said there should be no sudden turnaround from the government's economic policy keynote.

Analysts found the reasons for seemingly wide-apart interpretation of various economic indicators to different standpoints between the government officials and businessmen.

"Although the Korean economy experienced a 9.1-percent growth in the first half of this year, ranking it among the world's fastest-growing economies," Chong of Hyundai said, "some of the nation's manufacturers, including light industries, recorded a negative growth."

There can be few fundamental steps to cure this grave economic disease, the analysts said because they are of such structural and accumulative nature. The fact that No's administration has no "panacea" to heal can be found in the 18 different economic ministers in three years, a change of people instead of basic economic policy or philosophy, they said.

"There is only one way, although it is extremely hard to put into action under the present overall social atmosphere of Korean society, Chong said.

"We should try to emulate the Japanese who have overcome their high-yen economic difficulties through developing technology and lowering costs," he said.

It is not only up to business enterprises, but also the responsibility of the government which should properly guide the nation's economic course and all the Korean people, who are now spending $15,000 a year, while earning only $5,000, local commentators said in unison.

Government Suspends Banque Indosuez Operations

SK1809063891 Seoul YONHAP in English 0612 GMT 18 Sep 91

[Text] Seoul, Sept. 18 (YONHAP)—The Office of Bank Supervision and Examination (OBSE) has ordered Paris-based Banque Indosuez to suspend its local foreign exchange operations from Sept. 19-25 because of illegal transactions by its Seoul branch.

The suspension covers four trading days and the three-day Korean harvest moon holidays Saturday to Monday.

Indosuez's Seoul branch, which opened in 1974, is the first branch of a foreign bank ever suspended.

OBSE will notify its French counterpart of the four-day penalty.

Branch manager Jean Mallet will be called home and replaced.

Indosuez broke the foreign exchange law by bringing in foreign exchange worth 1.2 billion U.S. dollars, changing it into Korean won and lending it to businesses for profits allegedly amounting to 85 million dollars.

* Largest Labor Union Collapses at Pohang Steel

912C0298A Seoul CHUGAN CHOSON in Korean 25 Aug 91 pp 34-37

[Article by reporter Kim Chang-ki: "Out of 20,000 Members, 98 Percent Break Away, With Only 270 Holding Out; What Has Caused the Collapse of the Nation's Largest Labor Union at Pohang Iron and Steel Company?"]

[Text] The trade union of Pohang Iron and Steel Company (Pochol), the nation's largest labor union, is drifting at the edge of imminent disintegration. The membership of this union stood at over 19,400 as of the end of January, but since then, 98 percent have broken away, with only 270 members still holding out.

The remaining number is practically nil compared with the total 24,000 employees of the company, of which 20,000 are eligible for membership. In the opinion of the employees of the company, their union has demised to all intents and purposes. Union officials could not conceal their apprehensions when they said: "The number of trade union members increased exponentially following the proclamation of 29 June 1987, but it began to decrease after peaking last year. Even so, the collapse of the Pochol union cannot but be a serious blow."

They say there are two surface reasons for the collapse of this union. One is the way the union officials handled the dispute between labor and management over the environmental condition of the coking plant; the other is a scandal involving high-ranking union executive officers.

Pohang Iron and Steel conducted an investigation of the environmental condition in the coking plant last December according to an agreement between labor and management. For the investigation, gas-measuring instruments were distributed to the workers of the coking plant with an instruction to carry them around while at work. The outcome of the measurement was sent to the Industrial Health Research Center at Seoul University School of Public Health for analysis. The research team of the Industrial Health Research Center submitted its findings, which said: "The amount of coke dust, a carcinogenic agent, detected in some shops exceeded 20 times the permissible dose, and it is feared that 10 percent of the employees working in these shops may be affected by the exposure."

When the content of the findings was leaked to the press, a verbal battle ensued between labor and management. Management charged that "it was not right for the union to have unilaterally disclosed the findings of the investigation to the press before verifying jointly by labor and management under agreement, and that the method of investigation was also problematical." The management put an advertisement in papers claiming that the previous press reports on the findings are contrary to the facts and demanding another investigation. Rejecting this claim, the union launched a protest drive by refusing to wear the company-supplied fatigues on the work sites, demanding that the company accept the findings of the investigation.

The company issued letters of warning to the 2,000 or more employees who refused to wear the fatigues, on the grounds that their behavior is in violation of the company's shop regulations. These 2,000 or more employees were pushed into a disadvantageous position under the strong-arm tactics of the management.

Union Executives Become Labor Autocrats

The union executives, failing to come up with an alternative except continuing criticism against the management, terminated the struggle only four days after it was started. Behind this decision, there was the sense of crisis prevailing inside and outside the steel company, in addition to the absence of strategy on the part of the union executives. However, dozens of those unionists who received letters of warning rampaged at the trade union office destroying the furniture.

Shortly after this incident, a scandal came to the fore which was decisively injurious to the union executives. Eight of the union executives were investigated by the police in January on suspicion of bribery in connection with the purchase of birthday gifts for company employees, and one of them was taken into police custody. It is customary for the company to present a gift worth 30,000 won to each employee on his birthday and to consult with the trade union on the selection of gifts. Some of the union executives were entertained by one of the dealers in connection with the selection of the gift items. This dealer, when his merchandise was not selected, brought action against the union officials who had received a bribe.

This scandal dealt a decisive blow to the morality of the union executives. Spread among union members were charges such as "the executives have metamorphosed into labor autocrats," and "despite their lip service to a distinctive line of democracy, nothing has improved." In some quarters, there was skepticism that this scandal might have been a ploy aimed at the disintegration of the union. Anyhow the union had no choice but to take the responsibility for this scandal and reorganize its executives.

It was about this time that union members began to bolt in droves. According to the company management, union members deserted their union in droves beginning last January, with 300 or 400 members a day submitting letters of withdrawal. A company official said that "there were so many letters of withdrawal that they were hauled packed in boxes." As of the end of February, the union membership had shrunk to slightly over 3,000 due to collective withdrawals in January and February.

The union executives tried to prevent the bolting of union members through the revamping their leadership structure, which included, among others, the resignation of 10 or more executives including Chairman Pak Kun-ki (37). But, subsequently, the membership continued to shrink, plummeting to 270 in early August. The union has fallen into the stage where its resuscitation becomes impossible. The company executives also are in anguish because they believe that "this state of affairs is not necessarily beneficial to the company."

Interested persons are coming up with various interpretations for the collapse of the trade union of Pohang Iron and Steel Company. Generally, they share the view that there are more deep-rooted underlying factors besides the aforementioned two surface causes. Analysts mention the peculiar mentality of the company employees as the foremost factor. They say that generally, Pohang Iron and Steel Company employees have a peculiar conservative frame of mind and the sense of being a select few. They point out that this peculiarity has served as a brake on the tendency of the union executives to leave the rest far behind and on their political propensity.

It is pointed out that the employees of this steel company take immense pride in being its employees. According to analysts, because the steel mill was built in 1968 with the money received as an indemnity from Japan, its employees have the strong feeling that "we are working in a company built with the price paid for the blood of our forefathers" and that "we are the pillars of the nation's industry." Accordingly, most of them are averse to the idea of waging a radical struggle.

Elitism, Moral Training Add to Conservative Trend

According to analysts, the fact that Pohang Iron and Steel Company is not a private firm but a state-run corporation is working as the brake inhibiting them from resorting to radicalism. The company is not run by private capital or owner, but is operated by a management team entrusted by the state. For this reason, analysts say, the employees have no target of attack, and hence not much cause of friction between management and labor. In addition, many of the employees have very little difficulty in daily living because the company cares for their welfare by providing living quarters and other fringe benefits. This, according to analysts, is also a factor which is conducive to the atmosphere of cooperation between labor and management.

It is also pointed out that the employees of Pohang Iron and Steel Company have a strong sense of being an elite corps. Even in recruiting new employees for low-level technical positions which require a high school diploma, only those who graduated with honors are employed after passing an employment examination in which the rate of competition is 10:1. What is more, after joining the firm, the recruits receive continual moral education given by the company. According to analysts, this moral education has done much for the conservative tendencies of the company employees. In moral education, the company's main objective is to de-emphasize labor-management disputes as nothing more than a manifestation of egoism or egotism and to dilute the employee's view of labor disputes with the spirit of nationalism or the consciousness of national interest.

The strained sense that the furnace fire should never be allowed to die out, not even for a moment, and the sense of urgency that they must cope with any emergency are understood to have contributed to the conservative trends of the employees. An expert said, "according to my analysis, there are altogether 20 peculiarities of the employees of Pohang Iron and Steel Company as distinct from those of other companies."

The analytic view that these peculiarities of the company employees have operated as the major cause of the collapse of the trade union of Pohang Iron and Steel seems to be quite convincing. This view is substantiated by the fact that compared with other large trade unions, such as those of Hyundai Motor Company and Daewoo Heavy Industries, this union has traversed a relatively moderate path without even a single occasion of work stoppage. Even this relatively moderate union looked dangerous in the eyes of the employees of that company.

It is a fact that the current union executive staff, the third that has been installed since the inauguration of the union, has persued a hard line compared with those followed by its predecessors. The first and second executive staffs had too cozy a relationship with the management. To understand this, it is necessary to review the history of the union of Pohang Iron and Steel.

The union of Pohang Iron and Steel was inaugurated on 29 June 1988, a year after the 29 June proclamation. Prior to its inauguration, the labor-management consultative body had played the role of a union. However, following the government's democratic measures of 1987, both labor and management came to recognize the need for organizing a trade union. The first and second executive staffs of the union which were constituted on this common recognition, selected their chairmen by indirect vote from among those trusted by the labor-management consultative council. These executive staffs, because they were selected without competition and on the strength of cooperation provided by the management, naturally persued a moderate line, cooperating with the management. At about that time, some of the employees began to voice the criticism that "the trade union is too cozy with the management."

The union's third chairman was elected by the employees in August 1990 by direct vote. Altogether, 10 candidates ran for election, and more than half of them were moderate and conservative persons similar to the old executives. Unlike other candidates, Pak Kun-ki advocated the distinctiveness of the union's entity independent of the company as catchword and was elected by polling 53.1 percent of the votes cast. The employees of Pohang Iron and Steel chose a hard-line executive staff which would fight for them, rather than a moderate executive staff having a cozy relationship with the management.

However, many interested persons interpret the election returns as indicating that the employees are not as progressive as their votes for Pak might suggest. An interested official said: "First, Pak and his company did their utmost to downplay their radical color during the election campaign; second, the union members wanted strong union executives only in matters related to their welfare." In the judgment of these interested persons, the conservatism of the employees of Pohang Iron and Steel has not changed radically.

Foremen, Team Leaders Were the First To Bolt

The temperament gap between the union executives and the rank and file came to the fore when the third union hierarchy swung into action. "The admission to and the withdrawal from the Council for Solidarity of Large Corporate Unions (Yondaehoeui) is a typical example. The third executive staff of the union of Pohang Iron and Steel Company, inaugurated Yondaehoeui with 15 other large corporate unions last December, and the chairman of this staff became a joint chairman of Yondaehoeui.

The Pohang Iron and Steel Company union, however, issued a statement last February declaring that it decided to withdrew from the Yondaehoeui. In the statement the union said in effect that "from now on our union will do its utmost to solve internal problems, such as wages and collective bargaining, in line with the original intent of the union's labor movement, instead of diverting its efforts to external problems." In other words, the statement emphasized its labor movement "for the sake of the Pohang Iron and Steel Company union." Reportedly, behind this change there was the dissatisfaction of the rank and file with the union executives for their unilateral decision to join Yondaehoeui.

The following developments also stirred up a sense of crisis among conservative union members: the union executive's statement calling on employees to refuse to work overtime in connection with the controversy over carcinogenic dust generated in the coke plant; the printed materials of the National Council of Trade Union Federations (Chonnohyop) circulated in the company; the Agency for National Security Planning (NSP) announcement that the union is penetrated by "agents" of the Socialist Workers Union (Sanomaeng); and the discord between the union executives and the deputies.

Economics Professor Choe Chong-tae of Seoul University, who often offers advice to Pohang Iron and Steel with regard to its operation, explained: "The union of Pohang Iron and Steel Company is not radical in contrast with other radical unions. But, the Pochol union has lost the support of the rank and file because in the eyes of the union members, their union is too much ideology-oriented and radical."

An analyst pointed out that the union executives failure in human relations is one of the factors responsible for the collapse of the union. As soon as the third executive staff was installed, the executive staff began to disparage the foremen and work team leaders as "lackeys of the management," thereby alienating themselves from the foremen and work team leaders. Professor Choe explained: "The role of the foreman and work team leaders in a shop is similar to that of a sergeant in the army, and the workers in the shop follow the foreman and work team leaders obediently. But, when the authority of the foremen and work team leaders is belittled, the human relationship in the shop collapses and the union activities become apt to fail." In fact, foremen and work team leaders led the van in union members' collective withdrawal from the union.

Some claim that the persistent subversive operation of the management against the union was a major cause of the union's collapse. They say that the following practices have proved potent in bringing about the collapse of the union: brainwashing the employees and their dependents through various public relations materials; initiating action against the union leaders or dismissing them en masse through a strict enforcement of the company rules and regulations; and waging a systematic campaign to urge the employees to bolt from the union. Experts, however, say that these are only secondary factors.

Professor Choe gave the following explanation: "You see the aversion of management to labor unions everywhere in our country. As far as I know, the management of the Pohang Iron and Steel Company, like others, made efforts to weaken the union. But the overriding cause of the collapse of its labor union lies in the inability of the union to adapt itself to the changing situation. I think it is about the time for trade unions in Korea to shift from an ideology-oriented direction to a policy-oriented one. Under the present circumstances where the economic war among nations is fierce, this shift is becoming an international trend."

Burma

Health Minister Departs for WHO Meeting

BK2509144391 Rangoon Burma Television Network in Burmese 1330 GMT 25 Sep 91

[Text] A Myanmar [Burmese] delegation headed by Colonel Pe Thein, minister of health and education and commanding officer of the University Training Corps, left Yangon [Rangoon] by air this afternoon to attend the ninth meeting of the health ministers from Southeast Asian member states of the World Health Organization. The meeting is to be held in Maldives.

The minister was seen off at Yangon Airport by Lieutenant General Aung Ye Kyaw, minister of construction and cooperatives; Major General Myo Nyunt, chairman of the Yangon Division Law and Order Restoration Council; (S.W. Alawas Duwalla), Sri Lankan ambassador to Myanmar; Mr. Klaus Wagner, resident representative of the World Health Organization; and departmental heads under the Ministries of Health and Education.

Accompanying the minister on his trip were Dr. Maung Kyaw, director general of the Health Department, and the personal secretary of the minister.

Two other members of the delegation Dr. Kyaw Win, director of the Health Department, and Dr. Kan Tun, deputy director of the International Relations Division under the Health Ministry, left earlier to attend the 20th meeting of the World Health Organization's Planning Development and Management Committee before proceeding for the meeting in Maldives.

Rebels Say Government Planning 'Major' Offensive

BK2609012391 Bangkok BANGKOK POST in English 26 Sep 91 p 3

[Text] Manerplaw—The Karen National Union [KNU] and other armed minority groups in northeastern Burma are bracing for a major government offensive during the coming dry season.

Reports have been circulating in the region that Rangoon plans to spend a huge sum of money in buying military hardware for the offensive.

KNU vice president Saw Than Aung claimed Rangoon had allocated around 35,000 million baht in financial support for the operation and some 7,500 million baht had already been spent in buying military hardware from China, Singapore and Poland.

The equipment includes an unidentified number of Chinese-made F-7 and F-9 jet aircraft suited for aerial bombing, he said.

Armaments already acquired include helicopter gunships, 130 mm artillery guns and at least six 240 mm mortars from Poland.

Some of the equipment was shipped from Singapore and much of it unloaded at Moulmein, he said.

Saw Than Aung said about 700 advance ground troops were sent last month to the area around the border town of Papun, opposite Mae Hong Son, and were now preparing for the offensive.

He claimed about 100 Burmese soldiers were sent to China, Poland and Malaysia to undergo training in the use of the new jets and other hardware.

A KNU intelligence report said the Burmese military plans to cut the KNU routes between south and north, and between the KNU and the Karenni Progressive Party in the area opposite Mae Sariang District.

Saw Than Aung also said a combined force of the KNU, Karenni and dissident Burmese students had been engaged in a battle with Burmese troops for the past two months. Two KNU and six Karenni soldiers have been killed in the fighting, he said.

Thai Border Patrol Police sources said about 200 Burmese soldiers had clashed with armed rebel groups near the Burmese border village of Kyaw Tha, opposite Mae Sariang, but casualty figures were unknown.

Rangoon has waged major military operations against the ethnic guerrillas since the mid-1980s, forcing thousands, mainly ethnic Karens, into Thailand.

Forty-four top KNU leaderss, both civilians and military leaders, have been gathering here since September 9 for an executive committee meeting before attending the KNU National Congress.

More NLD MP's Sign Notice on 'Exile Group'

BK2609093091 Rangoon Radio Burma in Burmese 1330 GMT 25 Sep 91

[Announcement No. 968 of the Commission for Multiparty Democratic General Elections of the Union of Myanmar, dated 25 September 1991]

[Text] Subject: Notice to the public regarding statements signed by the elected representatives of the National League for Democracy [NLD] that they have neither in the past, nor in the present, supported the exile group headed by Sein Win.

1. In Announcement No. 965 of this commission dated 12 September 1991, the commission announced that 221 elected representatives of the NLD had signed statements stating that they—members of a legally formed organized—neither did, nor do they now, support the exile group headed by Sein Win who teamed up with the insurgent Karen National Union to illegally found the National Coalition Government of the Union of Burma.

2. The commission hereby reports and puts on record that 23 more elected representatives of the NLD have signed the statements to the same effect as above.

3. The full list of the 23 elected representatives who signed the statements will be published in full by the press tomorrow.

4. As of today, a total of 244 elected representatives of the NLD have signed statements that they neither did, nor do they now, support the exile group led by Sein Win. The commission hereby announces that the public will be notified of the statements it receives from the remaining elected representatives of the NLD.

By the authority vested in me,

Signed: Aye Maung, secretary

Brunei, Malaysia, & Singapore

Malaysia

Mahathir Asks Freedom To Chart Country's Future

BK2609055491 Kuala Lumpur BERNAMA in English 0423 GMT 26 Sep 91

[By Syed Jamil Jaafar]

[Text] New York, Sept 26 (BERNAMA)—Malaysia's Prime Minister Dr. Mahathir Mohamed said Wednesday Malaysia must be given the freedom to chart its own future and not to be forced to conform to what others feel is good for the country.

"If there is such a thing as human rights, let those rights also extend to the choice of the people of Malaysia," he said.

"The way forward for Malaysia may not meet with everyone's approval but it is our choice."

Addressing the Asia Society at a luncheon meeting here on the theme "The Malaysian Economy: The Way Forward", Dr. Mahathir said what Malaysia required was less of the all-knowing do-gooders and their drive "to liberate us from ourselves."

"It must be accepted that there are many roads to heaven; the idea of a monolithic all-purpose model cannot be accepted by us," he said.

He said governments should also not hide behind non-govermental organisations and nations should not feel unhappy if Malaysia retaliated in the same manner when they deliberately run the country down.

"After all, the so-called civilised nations have more skeletons in their cupboard than Malaysia has," he added.

Explaining "Vision 2020" to turn Malaysia into a developed nation by the year 2020, he said the concept did not simply focus on per capita income but on the quality of life and morality.

Dr. Mahathir said the hedonistic materialism of present models was not for Malaysia.

"We hope the rest of the world will give us this freedom of choice and not harass us into confirmity in the name of freedom."

Mahathir Invites Increased U.S. Investment

BK2609052991 Kuala Lumpur BERNAMA in English 0413 GMT 26 Sep 91

[From Syed Jamil Jaafar]

[Text] New York, Sept 26 (BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed Wednesday invited American businessmen to come to Malaysia to see for themselves the business and investment opportunities offered by the country instead of being influenced by distorted media reports about the country.

He said that if some of the media reports were to be believed, Malaysia was a terrible place and its leaders were all corrupt.

"All these are not true. How can Malaysia be a terrible place to put money in when its economic growth rates have been at nine to ten percent and inflation kept at two percent?" the prime minister said.

Addressing the inaugural session of the Malaysia-United States Private Sector Consultative Group here, he said when he visited a particular project in Malaysia, it was not because he had a vested or invested interest in it.

"It gives me a great fillip to see things growing in Malaysia, to see the nation progress," he said.

He also dismissed any notion of cronyism in the award of contracts in Malaysia.

"But of course we have to be selective. You can't give one million dollars to a trishaw puller and expect him to manage it," he said.

He said Malaysia would like to see more American investments in the country as it did want not to confine its economic ties to only one or two countries or be too dependent on the Japanese.

He said it was no accident that Malaysia was stable and doing well economically.

"We have adopted a pragmatic approach and are not interested in ideologies and have from the beginning rejected communism and socialism," Dr. Mahathir said.

The country's policies were also flexible enough to take into account the views of foreign investors.

Trade Deficit Widens by 50.4 Percent in Jun

BK2509134191 Kuala Lumpur NEW STRAITS TIMES in English 21 Sep 91 p 12

[Excerpt] Malaysia's trade deficit widened by 50.4 per cent to $752.4 million [Malaysian dollars] in June this year compared with $500.03 million in May, the Statistics Department said in its latest monthly external trade report.

It said the June figure brought the cumulative deficit for the first six months of this year to $4,678.6 million compared with a surplus of $603.4 million for the same period last year.

This deficit was 19.2 per cent or $752.4 million higher when compared with the period of January to May this year, it added.

The worsening trade balance was a consequence of a significantly higher growth in imports by 36.2 per cent as compared with an increase of 20.9 per cent for exports, it added.

Exports in June dropped to $7,547 million from $7,879.5 million in May while imports amounted to $8,299.4 million form $8,379.8 million, the department said.

For the first half of this year, exports amounted to $43,592.8 million, an increase of $7,540.2 million or 20.9 per cent from $36,052.6 million, while imports amounted to $48,271.4 million, up 36.2 per cent from $35,449.2 million previously.

The department said, the increased momentum in import growth was largely contributed by the surge in imports of machinery and transport equipment of which increased by 45.8 per cent and the rise of 40.1 per cent in the imports of manufactured goods.

Both components contributed to almost 80 per cent of the total increase in import expenditures.

During the first half of 1991, total export earnings were valued at $43,592.8 million, an increase of 20.9 per cent as compared to $36,052.6 million achieved in the same period last year.

The department added that some other major exports were mineral fuels at $7,557.8 million or 17.3 per cent of total exports, crude materials and inedible ($5,227 million, 12 per cent), miscellaneous manufactured articles ($4,629.1 million, 10.6 per cent) and manufactured goods ($3,396.9 million, 7.8 per cent).

Major increases in export value registered by commodities were liquefied natural gas which rose $950.7 million or 87 per cent, crude petroleum (902.8 million, 22.1 per cent), thermionic valves aand tubes and photocells ($481.5 million, 8.4 per cent), articles of apparel & clothings accessories ($223.4 milion, 14 per cent). [passage omitted]

Cambodia

Deputy Interior Minister Said To Commit Suicide

BK2609011591 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 25 Sep 91

[Text] According to a report from Phnom Penh, Sam Neat, deputy interior minister of the Phnom Penh regime, died a few days ago. Rumors spread that he committed suicide by taking a massive overdose of medicine since he and his family—who had been serving the Vietnamese for a long time—were desperate after being accused of conspiring with the Vietnamese aggressors, selling out to Vietnam, being traitors, and so on. Their actions were the darkest ones. During the last year or two, their relatives had regularly been urging them to stop working for the Vietnamese.

New Industry Minister Assumes Duties

BK2609061091 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 26 Sep 91

[Text] On the afternoon of 24 September, the Industry Ministry solemnly organized a ceremony to install Comrade Chan Phin, member of the party Central Committee and secretary of the party committee in charge of public offices, as head of the ministry under the chairmanship of Comrade Say Chhum, member of the party Central Committee Political Bureau and standing vice chairman of the Council of Ministers.

The appointment of Comrade Chan Phin is made in compliance with the State Council's decree No. 77.

Hun Sen Discusses Flood Damage Situation

BK2609065991 Phnom Penh SPK in French 0400 GMT 26 Sep 91

[Text] Phnom Penh 26 Sep (SPK)—Hun Sen, chairman of the Council of Ministers of the State of Cambodia, met with a group of representatives of various nongovernmental organizations in New York on Monday, 23 September.

At the meeting, Hun Sen talked about the great loss of life and damage caused by the recent floods in Cambodia.

He underlined that the recent natural calamity destroyed some 243,000 hectares of rice, demolished 100,000 houses—including 6,880 carried away by water—and affected 615,000 people, including 37 dead. A great many schools, hospitals, railway lines, roads, and bridges were damaged as well.

Many countries and international humanitarian organizations have provided emergency aid to the flood victims but the assistance has not met the victim's needs, Hun Sen added.

For the time being, the Cambodian people need about 15,000 metric tons of rice seed for the replanting following the water receding. Should the people not receive enough aid on time, they would certainly face starvation in the year to come.

Chairman Hun Sen also answered to the questions concerning the short-term and long-term assistance for the restoration of the lines of communication and, particularly, the repatriation of the Cambodian refugees.

Finally, he thanked all the humanitarian organizations for the assistance they had granted to the Cambodian people.

General Staff Chief Greets Soviet Counterpart

BK2609031191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 25 Sep 91

[Text] Comrade General Pol Saroeun—alternate member of the party Central Committee Political Bureau, deputy defense minister, and chief of the General Staff of the Cambodian People's Armed Forces—recently conveyed a congratulatory message to Comrade Gen. Moiseyev on the latter's appointment as the first deputy defense minister and chief of the General Staff of the Soviet Union's Armed Forces.

The message read: On behalf of the cadres and combatants, male and female alike, of the Cambodian People's Armed Forces General Staff and in my own name, I would like to extend the most sincere and warmest greetings to you, comrade, on your appointment as the first deputy defense minister and chief of the USSR Army General Staff. May you have the best of health and achieve every success in the implementation of your present task.

Philippines

More on Bases Referendum, Withdrawal, Conversion

Mitra Views Signature Campaign

HK2409055391 Manila BUSINESS WORLD in English 24 Sep 91 pp 1, 4

[By Maricar S. Bautista]

[Text] House Speaker Ramon Mitra said yesterday that unless a compromise is forged between the pro- and anti-treaty solons, he will take the initiative to launch the signature campaign in support of the Executive's bid to hold a referendum to overturn the Senate's rejection of the bases accord.

Mr. Mitra believed the country is now "at a very delicate stage," and was hopeful an agreement on the U.S. pullout from the country can be forged.

"The way it sounds to me, neither Malacanang nor the Senate wants to pursue the controversy (on the referendum) any further. The gap (between their positions) is not too big," he said. Mr. Mitra was referring to the three-year withdrawal period proposed by the anti-base treaty senators as against the seven-year period proposed by the opposite camp.

Mr. Mitra was confident the protagonists will come into an agreement. But should they fail to come up with a compromise formula, the Speaker said "there will be no more fence sitting" on his part. "I'll take the initiative to campaign for the referendum."

The referendum procedure requires a constitutional amendment which, in turn, must be initiated by at least 3% of the number of registered voters in each congressional district. This can easily be mustered, said the Speaker, as "congressmen can facilitate the campaign."

Although individual members of the House can launch the drive on their own, Mr. Mitra said he may enlist every solon's help. "The 3% requirement can be obtained even from only one town per district ... and this can make the campaign very successful," he said.

Support

The Armed Forces of the Philippines (AFP) will go along with whatever the President decides on the bases issue as long as it is legal and constitutional, AFP chief of staff Gen. Lisandro C. Abadia said yesterday.

He added, that if the final decision will be to uphold the Senate's move in rejecting the bases treaty, then the AFP will abide by this decision.

He said, "We have to abide by the decisions of the civilian leaders ... including the Senate."

The chief of staff, in a press conference soon after arriving from a trip to Thailand, also said, "If she calls for a referendum, we will support her."

He said the bases issue is being closely monitored by the Thai government, he said.

If a pullout is ordered, he stressed that the AFP will "do its constitutional duty to see to it that there is an orderly withdrawal of American troops from the country."

Lina Interviewed on Campaign

HK2609123691 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Sep 91

[Interview with Senator Joey Lina by correspondent Restie de Quiros at the Philippine Columbian Club in Manila; announcer Joe Taruc speaks from DZRH studio; italicized passages in English—live]

[Text] [De Quiros] We are here at the Philippine Columbian where the signature campaign for calling a national referendum is being launched. First of all, Joe, let us find out from Senator Joey Lina what his reaction is regarding the announcement of the Integrated Bar of the Philippines [IBP] that he will be disbarred because of his ongoing campaign to have a national referendum.

[Lina] *I welcome this reported threat made by the IBP to disbar me on the ground that I am allegedly violating my oath as a lawyer for undertaking what they call an unconstitutional act.* What I am fighting for is precisely what is said in the Constitution—that the people are supremely powerful, meaning that if the people are not heard by their leader, they have the right, for example, to fight the law established by Congress, or the people themselves will establish their law—and that is in the Constitution.

[De Quiros] Sir, you know that these talks are getting a bit heated. If this national referendum which you are pursuing is allowed by the people, I mean if the majority of the Philippine people agreed to have the Treaty of Friendship, Cooperation, and Security, which would prevail—the rejection of the Senate or the result of the referendum?

[Lina] The result of the referendum will prevail because what use is the provision on the Constitution stating that the people hold supreme power if their vote is not heard? *If a majority of the people, qualified voters and registered voters in a referendum agreed that the nonconcurrence resolution should be rejected, that means that the treaty as presented by the Executive Branch to the Legislature is accepted by the people.* There was just a *stalemate between the Executive Branch and the Legislative Branch and the people will be the final arbiter in this case—the people's voice will reign supreme.* The people will be followed, and not those 24 senators or the 12 senators or eight senators. That is what we call the people's power, and we need not go to Epifanio de los Santos Avenue. That is the spirit of *the initiative and referendum that the people have the right to revolt.* We did not set that straight in the Constitution *but the people, short of a revolution, can take matters directly into their hands* and that is what we mean by *the Philippines is a democratic and a republican state. We are not only a representative democracy, we do not only govern ourselves through our representative, we can go directly to govern ourselves,* which we call pure and direct democracy. The people can move *independent of Congress or their leaders who have not been listening to them.*

[De Quiros] The conditions of some antibases senators, particularly Senator Juan Ponce Enrile, held that before having a national referendum, there must be a treaty ratified by the Senate.

[Lina] That is too technical. The highest principle is that those representatives of the people were brought to their position by the people. The people represent where power originated, so if the people will handle and use power, then the senators cannot do anything and their decision will be overturned by the people.

[De Quiros] The questions that were being asked by the people about this signature campaign not being supervised by the Commission on Election [Comelec] and about a person not being able to just sign in Luneta and proceed afterward to other places to sign—we cannot be sure that this is really the voice of the people?

[Lina] No, the system that we are following is in accordance with the Comelec resolution. *There is a Comelec resolution on initiative and referendum.* Those procedures were very clear that the names of the voters be listed there with the voter's ID and signature. So what we will be doing will be systematic and scientific. We will ask for the list of voters at their precinct and those listed on the voters' registry list will be followed by the signature solicitors who will look for a person and will ask him to sign on the list of the Comelec's registry of voters. After that person has signed, the list will be given to Comelec and it will be checked by Comelec if the voter's ID and signature are correct. The signature of the person is in Comelec and that is what we call verification and authentication of signatures.

[De Quiros] Joe, do you want to have any clarification from Senator Joey Lina?

[Taruc] Regarding this signature campaign that might be made by your group, it will surely be questioned in our Supreme Court by different sectors. What we want to ask you, Senator Lina, is where will the funds be coming from that will be used within two months for the signature campaign that will be made by the group?

[Lina] Those communities, for example Olongapo, will spend for themselves. In Pampanga, they will help themselves, it has no funding and the people will allocate funds for this. No one will allocate funds for this but those communities, sector organizations, and it is volunteer work regarding this matter.

[Taruc] Thank very much, Mr. Senator

[Lina] Thank you and more power to you, Joe.

Campaign Meets Legal Opposition

HK2609065291 Quezon City MALAYA in English 26 Sep 91 pp 1, 6

[By Romy Tangbawan]

[Text] Several lawyers' groups are set to file disbarment proceedings against Sen. Jose D. Lina Jr. (LDP [Struggle of the Filipino Democrats]) for his insistence on holding a referendum meant to over-turn the Senate rejection of the bases treaty.

The groups are also poised to ask the Supreme Court to stop Lina and his supporters from gathering signatures for what the lawyers described as an "illegal" referendum under the People's Initiative and Referendum Law.

The lawyers groups said Lina's refusal to uphold the Constitution is a ground for disbarment.

The move will be spear-headed by governors of the Integrated Bar of the Philippines and members of the Free Legal Assistance Group, the Movement for Attorneys for Brotherhood, Independence and Nationalism, the Union of Lawyers of the Philippines and the Protestant Lawyers' League of the Philippines, according to J. Virgilio Bautista, a leader of the disbar-Lina campaign.

The lawyers groups are planning to file two more cases. One will question Malacanang's recall of the notice of termination of the 1947 bases agreement issued in May 1990. The notice was recalled after the Senate rejected the treaty in a 12-11 vote on Sept 16.

The lawyers said the withdrawal of the notice of termination constituted "grave abuse of discretion."

The other case will cite Ambassador Emmanuel Pelaez for "culpable violation of the Constitution" for allegedly masterminding the pullout of the notice of termination.

Elections Chairman Christian Monsod urged leaders of the referendum movement to coordinate with the Commission on Elections [Comelec] in the gathering of at least 3.5 million signatures favoring a referendum.

Under the People's Initiative and Referendum Act, 10 percent of registered voters in the last elections must petition for the referendum.

The solicitation of signatures will be launched today by a movement calling itself "Kasali Kami Kabayan [We are included fellow countrymen]."

Lina said 200 district coordinators, 75 provincial coordinators, and 14 regional coordinators will oversee the gathering of signatures.

Monsod said determining the authenticity of the signatures would be time consuming and even costly if proponents of the petition-signing do not coordinate with the Comelec.

Under Comelec Resolution 2300, proponents of a petition signing, in coordination with the poll body, may install booths in every municipality with the assistance of election registrars.

The election registrar, who holds the copy of the voters' lists and affidavits, will verify whether a signatory is a registered voter before he signs the petition.

Lina Supports 7-Year Phaseout

HK2409110191 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 24 Sep 91

[By Milky Rigonan of DZRH Uit No. 12]

[Text] Senator Jose Lina does not favor the proposal of his fellow senators for a three-month, or three- to five-year phaseout period for the military bases in the country. In a weekly forum, Senator Lina pressed for a seven-year gradual phaseout period for the military bases, to give the government sufficient time to prepare. According to Senator Lina, a sudden pullout of the military bases from the country will aggravate the unemployment rate and will surely affect the country's economy. The senator said that whether we admit it or not, we still need the help of the United States, especially now that the country is facing a crisis caused by the Mt. Pinatubo eruption.

[Begin Lina recording in English; in progress] ...accepting and welcoming economic assistance or aid which our government can use to rehabilitate Central Luzon, and also to help the displaced and to be displaced workers in Clark and in Subic Base respectively. That in a nut shell is my position that I have taken regarding the question of the withdrawal period, taking into mind the objective reality that phasing in our conversion program is not feasible in one-year's time. And I see it more reason in a three-month period, a three-year period, or even a five-year period [sentence as heard]. We just cannot objectively, with the data that I have presented, finish a realistic conversion program. [end recording]

Meanwhile, Senator Lina is scheduled to launch a signature campaign on Thursday [26 September] to find if the people will concur or not, with his proposed seven-year gradual phaseout for the U.S. military bases from the Philippines.

Maceda on Two-Year Withdrawal

HK2409105291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 24 Sep 91

[Italicized passages in English]

[Text] Senator Ernesto Maceda reported that one of the issues they discussed yesterday in the caucus of antibases senators, is the proposed two-year phase-out period of the military bases of the United States in the country. According to Senator Maceda, based on the Constitution, the two-year withdrawal period of the U.S. military facilities is the most practical way which may be implemented by our government. Maceda explained that if the proposed two-year withdrawal period is favored by the majority of senators, they will approve a sense of the Senate resolution which will have to be favored by a two-thirds majority vote of the senators prior to its full implementation. Here is a part of Senator Maceda's statements:

[Begin Maceda recording] Indeed, *from a practical stand point, they have to agree to a longer than one year withdrawal period.* For me, so we don't have to be embarrassed and for face-saving on both sides, let us no longer insist on no compensation but maybe we should reduce it. My suggestion actually is *for the first year, $183 million; for the second year, $180 million;* and if there will be a third year which is the actual physical withdrawal, no more compensation. [end recording]

Five-Year Withdrawal Proposed

HK2609041991 Manila BUSINESS WORLD in English 26 Sep 91 pp 1, 6

[By Benjamin B. Cruz]

[Text] Two ranking Lower House leaders yesterday proposed to President Aquino a new compromise withdrawal formula of five years in exchange for 4150 million annually.

In a letter submitted to Mrs Aquino, Rep [Representative] Jose de Venecia (Pangasinan), chairman of the House committee on foreign affairs, said the five-year duration period should incorporate the U.S. Congress-appropriated, non-appropriated, base- and non-base-related economic benefits earlier promised by the United States.

After five years, the solon said a Singapore-type U.S. Navy access to Subic on pure commercial terms, with the Subic facilities available to other friendly countries, should be allowed.

Presidential uncle [as published] and House Majority Floorleader Francisco Sumulong accompanied Mr De Venecia in giving the letter to Mrs Aquino. The proposal came a day after the President announced that a referendum, amidst speculation that she has changed her mind, is still the "main thrust" of the Administration.

"I believe this arrangement will represent a happy, negotiated compromise and unify the pro-bases and anti-bases senators, then unify Malacnanag and the Senate; unify the Filipino people; and, finally, hopefully unify the official positions of the governments of the United States and the Philippines which may be expected to sign the new agreement," Mr De Venecia said.

He added the scheme could be a compromise between the proposal of Senator Rene Saguisag of a three-year withdrawal period and Malacanang's seven-year phaseout term for the bases.

Transforming Subic into a commercial ship repair facility by the end of the five-year contract could be acceptable to Senate President Jovito Salonga, Mr De Venecia opined.

The solon added the five-year extended stay of the bases would be enough time to finalize the conversion plans for Subic and Clark Air Base.

Mr De Venecia said the following conditions would have to be met by the U.S. Government for the proposed five-year pact:

—U.S. President Bush should recommend to the U.S. Congress the approval of the earlier proposed $363-million compensation for the first year of the bases' extended stay;

—Pres. Bush should fulfill his "best efforts" letter to President Aquino which listed economic and security assistance to the Philippines;

—The U.S. Government should continue to support the country's debt-reduction and debt-relief programs; and

—the U.S. Government should not yet lay off the 43,000 Filipino workers in Subic.

Three-Year Withdrawal Said Enough

HK2609111291 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 26 Sep 91

[Text] A three-year period granted to the United States to stay at Subic Naval Base is enough. This was stated by Delfin Lazaro, head of the special operations team on bases conversion, after his meeting with President Aquino. Tanny Rodriguez reports:

[Begin recording] Lazaro said the three-year orderly withdrawal is a sufficient number of years to enable the government to implement its plan to convert Subic into a port and shipping repair facility. Lazaro said the government will proceed with its plan for an international airport at Clark Air Base but that this could wait because of further destruction that could be brought about by Mount Pinatubo. Lazaro also said that under the Legislative-Executive Bases Council, the Subic ship repair facility will incur 3.6 percent of the total allocated expense of 33 billion Philippine pesos. A big chunk of this budget is allocated for improving access between Manila, Central Luzon and Olongapo, Subic area. [end recording]

Meanwhile, Executive Secretary Franklin Drilon stressed that any formula agreed upon by the Senate on the orderly withdrawal of the U.S. troops should be supported by a two-thirds vote of its members. He explained that the government did not issue any statement on the alleged four-year U.S. bases phaseout proposal.

In related news, the U.S. Government should be the one taking the initiative or action if it wishes to make changes on the proposed U.S. pullout from Subic Naval Base. This was stated by Senator Aquilino Pimentel today, as he criticized the launching of a signature campaign for the holding of a referendum. Jojo Ismael has the details:

[Begin recording] [Ismael] In a news conference today, Pimentel told reporters that it is not right for a top government official to lead or speak for the benefit of the Americans. The senator is referring to Senator Lina's action for the holding of a referendum to overrule the Senate decision rejecting the treaty. Pimentel said that Senator Lina should not be the person speaking on behalf of the Americans.

[Pimentel in English—in progress] ...undertaken by some of our colleagues are nothing but a blatant attempt to accommodate the interests of the Americans. My own view is that the decision of the Senate is final. [end recording]

Senate To Give Priority to Bill

HK2609100591 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Sep 91

[By correspondent Restie de Quiros]

[Text] The Bases Conversion and Development Authority Act is one of the primary bills in the Senate that will be given priority as soon as the Senate opens its session at the end of the month. This was announced by Senator Leticia Shahani in relation to the preparation being made by the government regarding the withdrawal of the U.S. military bases in the country.

According to Shahani, under the Bases Conversion and Development Authority Act, one agency will make the conversion plan on Clark Air Base and Subic Naval Base. The implementation of the bases conversion plan was based on the plan made by the Legislative Executive Bases Council. Shahani hopes that the Bases Conversion and Development Authority Act will be ratified by the Senate on its second reading next month. Shahani stressed the immediate need for a bases conversion bill in order to start reconstruction in Central Luzon, which was damaged by the eruption of Mount Pinatubo. Shahani believes that there are enough human resources and political decisiveness by the government in converting the land from a military bases into a progressive area.

Salonga: Aquino Needs Guidance

HK2609051291 Manila BUSINESS WORLD in English 26 Sep 91 pp 1, 6

[By Reporter Cris V. Paraso]

[Text] The Senate will allow Malacanang to enter into an executive agreement with the United States Government to provide the legal basis to govern the withdrawal process contemplated under resolutions filed in the Upper Chamber.

After speaking before a symposium at the University of the Philippines law center, Senate President Jovito R. Salonga said the agreement will be embodied in an "enabling resolution" which will state in detail the pullout procedure.

As this developed, anti-treaty senators will meet anew to discuss the Americans' four-year counterproposal to withdraw from the country following the rejection of the RP [Republic of the Philippines]-U.S. Treaty of Friendship, Cooperation and Security.

But Sen. Salonga rejected the U.S. proposal saying it is too long and will not likely be aceptable to other anti-treaty solons.

Senator Rene A. V. Saguisag, in a statement, said his final proposal will be for a three-year terminal withdrawal starting on Oct. 1, 1991 to Dec. 31, 1994 based on the 1988 Manglapus-Shultz agreement "to enable us to address the human and personal dimensions of the problem."

He said the Aquino Administration can enter into an executive agreement with the U.S. for a terminal withdrawal so long as it does not extend the two-to-four-year period being proposed by senators and the U.S. Government.

Senators are almost united in saying that the resolution endorsing the executive agreement must be approved by two-thirds of the Senate similar to that required of a treaty.

Sen. Salonga said the Palace can submit the agreement to the Senate for ratification but a more expeditious scheme through an executive agreement is immediately needed to hasten the withdrawal process.

He said negotiations through press releases should be cut short and a more skillful and competent team should be appointed by President Aquino to discuss the orderly and expeditious transition under the 1988 agreement.

Sen. Saguisag supported the creation of an oversight committee for the withdrawal process with senators as members, and that the country should be assured that the floating drydock facilities which are vital for ship repair activities should be left by the Americans who could still avail of these through an access arrangement with the Philippine Government.

Under the resolution, there will be created a Senate-Malacanang withdrawal committee so that any agreements with the U.S. will have the Senate's endorsement. The Rizal solon suggested Senators Letica Ramos-Shahani, foreign relations committee chair-person, Wigberto E. Tanada and Minority Leader Juan Ponce Enrile as members representing the Senate.

Asked on possible constitutional infirmities of, in effect, allowing the U.S. bases to stay beyond Sept. 16, 1991 without a ratified treaty, Sen. Salonga said, "Never mind, you can't be too legalistic. What is important is that we go to the reality."

In a position paper read during the open forum, several lawyers' groups cautioned the Senate against involving itself in a purely executive function when it discusses the withdrawal period which, in their view, is unconstitutional. They noted that that the Senate finished its job when it rejected the treaty.

However, Sen. Salonga said the President "needs guidance" during this critical period, otherwise she might push through with extra-constitutional means to revive the treaty such as the proposed referendum which will only further divide the nation.

Meanwhile, Senate Minority Leader Juan Ponce Enrile, speaking before a joint meeting of the Paranaque rotary clubs, debunked doomsday scenario claims following the treaty's rejection.

"There is much that is vital and beneficial in our relationship with the U.S. historical, economic, cultural and political, but these normal and necessary aspects of bilateral relations were subordinated to the need of the U.S. to project its military presence in our territory," he said.

Senator John H. Osmena, for his part, calls on both pro-and anti-treaty advocates in the Senate and all legal circles to once and for all resolve the legal issues surrounding the bases. "National interest is not served by all this misinformation and disinformation and posturing."

Notice To Be Issued 'Again'

HK2609133291 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1200 GMT 26 Sep 91

[Text] A notice of termination of the bases agreement will again be issued to the United States after the government has decided on the withdrawal period. This was learned by ABS-CBN from sources at the Department of Foreign Affairs.

Meanwhile, the aid allocated by the United States for the Philippines for 1993 may be given to Eastern Europe and the new Soviet republics.

Malacanang Reconsiders Referendum

HK2609012091 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 26 Sep 91

[Text] Malacanang is ready to reconsider its planned referendum if the Senate can come up with a compromise withdrawal solution which can be approved and ratified by 16 senators. This was emphasized by Executive Secretary Franklin Drilon even as he clarified that they will just study the proposal when Malacanang is assured of a Senate consensus.

Meanwhile, Drilon said that they have not yet received any official word from Washington regarding the latter's readiness to withdraw from Subic Naval Base within three to four years. Drilon assured that they can throw aside the planned referendum if the Senate can come up with a compromise agreement for the withdrawal of U.S. forces in the country which is acceptable to both sides and supported by 16 senators.

Aquino Urged To Honor Constitution

HK2609045491 Manila PHILIPPINES NEWSDAY in English 26 Sep 91 p 10

[Editorial: "A Word To The U.S."]

[Text] The Aquino administration has placed itself in an indefensible position of having to defend American interests gratuitously against its own Constitution. Without the United States embassy or the State Department having to say anything about the obvious conflict between the 1987 Constitution that says the 1947 military bases accord expires in 1991 and the 1966 Ramos-Rusk agreement that says the U.S. forces could stay until September 16, 1992, the administration has downgraded the constitutional provision and upheld the superiority of the 1966 exchange of notes. Even among puppets, a worse case of servility is not easy to come by.

This is an outrage that will not be easily forgotten. But no matter how outrageous the administration's conduct has been on this issue, there is at least a point worth debating. There is an honest difference of positions between the Philippines and the U.S. arising from two conflicting documents—the 1987 Philippine Constitution and the 1966 Ramos-Rusk agreement.

When in 1986 the constitutional commissioners—all appointees of Mrs Aquino—wrote the provision saying the 1947 bases accord expires "in 1991," they thought they were restating the provisions of the Ramos-Rusk agreement, which says that the original accord remains in force for a period of 25 years from September 16, 1966 after which, unless extended for a long period by mutual agreement, it shall become subject to termination upon one year's notice by either government.

But they wrote the provision without consulting the actual text of the Ramos-Rusk agreement, so they wrote something else. They wrote a ridiculous expiration date that contained no month, no day, just a year, a year moreover that did not correspond to the agreed date in the Ramos-Rusk agreement.

The U.S. was aware of this error, but it was prepared to let it go provided a new bases treaty could be put in place before the expiration date which was subsequently interpreted by the Aquino regime to mean September 16, 1991. So it did not contest that interpretation, but simply sat down with the Philippine negotiating panel to produce a successor-agreement. After 15 months of negotiations, the draft treaty was sent to the Senate, which rejected it on September 16, 1991, the day the old agreement was supposed to expire.

Faced with a situation where the old agreement was supposed to have ended, while the proposed treaty had been rejected, the administration withdrew the notice of termination it had served 16 months earlier on the U.S. The immediate effect of this was to extend the life of the old agreement and to relieve the U.S. of any obligation to withdraw from the bases, despite the constitutional mandate.

In defense of its own interests, the U.S. has every right to invoke the Ramos-Rusk agreement and any other agreement that might help delay the termination of the old agreement. But it is simply reprehensible for the Aquino administration to be the one to do it in behalf of the U.S. This is our first point.

We have a second point, and this has to do with the U.S. We do not fault the U.S. for wanting to have the new treaty ratified, but we are outraged by statements coming from its official spokesmen to the effect that Washington still expects the treaty to come into force, after it has been rejected by the Philippine Senate.

As a constitutional democracy, the U.S. is aware of the constitutional process involved in the ratification of treaties by the Philippine government. In the case of the bases treaty, it must be concurred in by at least two-thirds of the Senate and, when Congress so requires, ratified by majority of the votes cast by the people in a national referendum held for that purpose.

Well, the treaty has been rejected, not just by one third and one vote but by a majority of the 23-member Senate. And Congress does not desire or require that it be ratified by the people in a referendum. The least the U.S. can do is to recognize the legitimacy of the Philippine constitutional process, accept the fact that the proposed treaty has been rejected, and avoid saying anything that might be interpreted as unduly provocative.

Economic Predictions Criticized

HK2609035791 Manila PHILIPPINE DAILY INQUIRER in English 26 Sep 91 p 4

[Editorial: "The Big Lie"]

[Text] In the debate over the RP [Republic of the Philippines]-U.S. base treaty, the administration has produced no argument more forceful than its predictions of an economic collapse. Economic officials led a Greek chorus of businessmen lamenting the opportunities to be lost with a U.S. pullout from the bases and predicting disaster and gloom all around. In doleful tones, they warned of foreign firms pulling up stakes, businessmen hedging on investments and other nations shutting off trade access, aid and loans.

Now that the Senate has rejected the treaty, all the signs indicate that the doomsday scenario was slightly exaggerated. A survey made by the American Chamber of Commerce earlier this month showed that 69 out of 76 U.S. companies are going ahead with their plans to expand their operations in the Philippines and put in an additional P [Philippine peso] 8 billion. A Japanese shipbuilding firm has started to relocate its facilities in Batangas at an initial cost of $150 million. On Monday, stock prices shot up by 5.9 percent at the Manila Stock Exchange, the second highest price jump recorded this year. The gain of 53.8 points in the local price index was triggered by a four-percent rise in the price of PLDT [Philippine Long Distance Telephone] stocks in the New York Stock Exchange—as sure a sign as any that foreign investors have not completely given up hope on the Philippines despite the loss of the bases.

Japan has allayed fears of a reduction in aid and other financial assistance because of the Philippines' refusal to continue hosting the U.S. bases. Ambassador Toshio Goto said that while the issue is of great importance to Japan, it would be "inappropriate" to directly link the outcome of RP-U.S. talks to the level of Japanese support for the Philippines. "Japanese assistance will not be suspended even if the treaty is not ratified," he stressed.

Equally baseless were the warnings made by Filipino officials that Philippine exports would be shut out of the U.S. market if the treaty was not ratified. U.S. Ambassador Frank Wisner has assured Agriculture Secretary Senen Bacani that the Philippines will keep its sugar quota. Sandra Kristoff, assistant U.S. trade representative for Asia and the Pacific, virtually assured continued Philippine access to the U.S. market by saying that the proper forum for discussing more liberal terms of trade is the Uruguay Round of the GATT negotiations, not the bases talks. Kristoff also said that while the rejection of the treaty has made American investors "a bit cautious," a smooth transfer of power after next year's elections would restore investors' confidence in the Philippines.

All this is hardly surprising to rational men. As many others have pointed out, America's business is business and U.S. businessmen, like any other, will go any place where they can smell profits. But then men and women who can continue up nightmares where the U.S. cancels the most-favored-nation status enjoyed by the Philippines—and 158 other countries out of 170 throughout the world—are something else.

They must have known it was a big lie. But they had to rouse mass hysteria to get the treaty past the Senate.

The thing the nation must fear now is that in their frustration they would do anything to prove their prophecy correct. For these are the same persons who said it was impossible to convince foreign creditors to write off some of our debts or postpone repayment. So we did not get a substantial debt relief, while Poland, Egypt and Peru did. They have nine months to do their worst or do nothing. After which, the Filipino people will understand why critics keep saying that our worst disasters are man-made.

Effects of U.S. Sugar Quota Cut Discussed

HK2609060591 Manila THE CHRONICLE in English 26 Sep 91 p 1

[By Booma Cruz]

[Text] Some 216,000 sugar workers will lose their jobs and 1.2 million more would be "severely affected" by the 38% cut in country's sugar quota in the United States, Labor Secretary Ruben Torres said yesterday.

Most of the sugar workers to be affected by the cut would be from Negros, Iloilo, Southern and Central Luzon.

Torres said the government would use the Sugar Amelioration Fund (SAF) to help the sugar workers who would lose their jobs.

Arsenio Yulo Jr., Sugar Regulatory Administration (SRA) administrator, announced the cut upon his arrival from the U.S. last Tuesday.

He said the sugar-quota reduction had nothing to do with the rejection of the new bases treaty, saying improved sugar production in the U.S. was the principal cause for the reallocation of the quota.

The Philippines has the second-highest sugar quota in the U.S. next to the Dominican Republic.

The specter of massive unemployment in the sugar industry, however, may not be that bleak. A check with the Bureau of Labor Employment Statistics (Bles) showed that only 30,000 sugar workers would be displaced given a 38% cut in the country's sugar quota in the U.S.

Bles statistics based on Department of Trade and Industry and National Statistics Office figures placed the total number of workers in the sugar industry at 106,167, with 79,300 workers (milling, refining and sugar cane production) directly engaged in the export of sugar to the U.S.

Ibon Databank claimed there are more than 400,000 sugar workers in the country.

Despite conflicting statistics, labor officials agreed that the reduction in sugar quota would definitely worsen the serious unemployment problem in the country, estimated at 17% of the 27.6 million labor force last month.

The eruption of Mt. Pinatubo last June rendered 651,000 jobless in Central Luzon.

The ranks of the unemployed continue to swell with the massive destruction caused by the flow of lahar in areas which were not previously considered as danger zones.

Torres said the economy is definitely in the middle of a slowdown, "perhaps very close to a recession," and that the domestic economy is not capable of producing enough jobs to bring down—or at the very least maintain—current unemployment levels.

According to the International Labor Organization (ILO), the Philippines' gross national product must grow by an average of 8% to 10% annually to accommodate the estimated 800,000 labor force entrants every year. For the first semester of this year, the country's GNP grew by only 0.23%.

Torres said the government would vigorously pursue its overseas employment program because it presents the brightest opportunity in alleviating the unemployment problem.

It would also provide a continuing source of foreign exchange badly needed to prop up the sagging economy, he added.

Towards this end, the labor secretary said the government is slowly veering away from the lucrative but highly competitive Middle East labor market and is instead focusing its attention on non-traditional markets like Taiwan and Japan.

"With flexible and aggressive marketing strategy, the annual average of 200,000 new job opportunities every year may be increased to a little less than 300,000 in 1991," Torres added.

French Agree To Forgive Debt in Relief Package

HK2609052891 Manila Far East Broadcasting Company in Tagalog 0100 GMT 26 Sep 91

[Text] The Government of France has agreed to forgive official Philippine debt to their country, amounting to fr. [Franc] 20 million. This is equivalent to $5 million. The forgiveness of our official debts by France came as 'aid for debt relief' by their country in view of the devastation the Philippines experienced from the eruption of Mt. Pinatubo.

Finance Secretary Jesus Estanislao reported to President Aquino that the French Government officially conveyed their approval to him of a 'aid for debt' package for the Philippines. Aside from this French debt forgiveness for our country, it was also learned from Secretary Estanislao that the French Government told him they would grant further aid to the Philippines in the form of debt equity assistance, the amount of which is yet to be determined. France is one of the main creditor countries included in the Paris Club.

Estanislao said it is insulting to expect that the United States would also forgive our external debts to them after the Senate rejected a new bases treaty.

In a related development, France also offered to adopt a community in Central Luzon so as to be able to help in the implementation of relief operations in areas gravely affected by mud flows.

Jose Gabino Demayuga, director of international operations in the Department of Finance, said that the offer was contained in a letter to our government. Demayuga said that the adoption will be undertaken in cooperation with other countries in Europe.

Meanwhile, our government is awaiting the arrival of a Japanese Government mission which will pave the way for a grant of $200 million as a calamity loan to help areas seriously devastated by the eruption of Mt. Pinatubo.

Japanese Group Says Development Plan Colonial

HK2609063691 Manila DIYARYO FILIPINO in Tagalog 26 Sep 91 pp 1, 2

[By Dennis Maliwanag]

[Text] The Calabarzon [Cavite-Laguna-Batangas-Rizal-Quezon] project hides the colonizing machinery of Japan in the Philippines in the guise of "economic aid."

This was a statement yesterday from visiting members of the Japanese People's Movement [JPM] 90's, a federation of nationalist organizations in Japan, which warned that the aim of Calabarzon is to reestablish colonialism in the country.

"The influx of foreign investors will not help the country's progress, or the independent economic system of the Philippines," said the JPM.

The $861 million project aims to support the industrialization of Cavite-Laguna-Batangas-Rizal-Quezon provinces.

It is expected to lure 1 billion [currency not specified] in annual investment and give jobs to 100,000 people.

The bulk of the project will be funded by Official Development Assistance [ODA] from Japan. But the ODA funds will, allegedly, only be infused to projects favorable to Japanese businessmen.

It is also possible that the very low salary costs of workers will be exploited. The federation also criticized the project as a hindrance to agrarian reform in the country.

Land conversion in the Calabarzon areas has become extensive. Up to December 1990, the Department of Agrarian Reform was able to process applications covering 3,880 hectares in Southern Tagalog.

Experts in farming warn that extensive conversion of agricultural lands will not only bring about land scarcity but will also bring about food shortages in the future.

Some members of the JPM visited the project area in the first week of September in order to discover problems caused by multimillion industrialization. The JPM promised to campaign for a halt to the project.

Armed Forces Work on Border Pact With Malaysia

HK2609103291 Manila BUSINESS WORLD in English 6 Sep 91 p 10

[By Ma. Caridad S. Bautista]

[Text] The Armed Forces of the Philippines (AFP) is working on a possible border agreement with Malaysia similar to an existing agreement with Indonesia, AFP officials disclosed yesterday.

AFP chief of staff Gen. Lisndro C. Abadia, who visited Malaysia last week, has reportedly launched a "diplomatic offensive" to convince Malaysia's armed forces to support the proposed border agreement.

Proposals for a border accord was among the topics discussed by Gen. Abadia in his meetings with Malaysian military officials, the same sources revealed.

He reportedly told his Malaysian equivalent that "much can be achieved from personal and pleasant exchanges." He added, "Realities must be confronted...by continuing to explore and exploit opportunities for enduring peace."

"A wider collaboration and more contacts...to deal with future agenda of stability and security in Southeast Asia," was reportedly stressed by the chief of staff.

Philippine Navy flag officer in command Rear Admiral Mariano J. Dumancas told reporters that Filipino fishermen apprehended by Indonesian officials are treated better than those caught by Malaysian authorities.

He said a total of 89 Filipino fishermen have been caught in Indonesian waters since February this year, but have been given fair treatment in contrast to those arrested in Malaysia.

He ascribed this better treatment to the joint patrol and border crossing agreement between the Philippines and Indonesia.

The Philippines currently has four "border stations" in Menado, Tarakan, Marori and Maingas, Indonesia, said Admiral Dumancas.

He said these stations house captured Filipino fishermen as they await repatriation after being investigated.

"Because of these facilities," he added, "the fishermen are spared from spending time in Indonesian jails."

Indonesia, in turn, has the same stations in Davao and Cotabato which also serve the same purpose for Indonesian fishermen caught in Philippine waters.

Admiral Dumancas said at least one Filipino fisherman had already died in a Malaysian jail.

He said an agreement with the Malaysians will have other benefits aside from better treatment for captured Filipino fishermen. The accord with Indonesia provides for a joint patrol arrangement against pirates and other lawless elements at sea, he said.

"It has helped define the often porous territorial delineations due to lack of landmarks," said Admiral Dumancas.

Joint sea patrols call for a compatibility of equipment that enables the two navies to coordinate action, thus enhancing cooperation between the two military organizations, he added.

Navy To Buy Ships From Spain, Australia, China

HK2609110491 Manila BUSINESS WORLD in English 5 Sep 91 p 10

[Text] The Philippine Navy has firmed up arrangements to buy six fast attack crafts (FACs), three missile-firing from Spain and three with conventional weapons from Australia and two logistics support vessels (LSVs) from China, Navy chief Rear Admiral Mariano J. Dumancas disclosed yesterday.

He admitted that before an agreement was reached, there was an impasse in the negotiations.

China had reportedly asked the Navy to secure a loan guarantee from a foreign bank before they supply the Navy with LSVs.

However, he said, China had done away with this condition, paving the way for the construction of the LSVs here.

The Navy has planned to spend P [Philippine peso] 30 billion over 10 years to modernize its fleet, which is, on the average, 40 years old.

Government has allotted P400 million to start off the modernization program.

Part of the modernization scheme calls for the acquisition of larger, faster warships that can project Philippine naval presence in the "blue water" exclusive economic zone.

Admiral Dumancas said tight budgetary restrictions had made it impossible for them to acquire the eight FACs as they had originally hoped.

Four of these, he said, would have been equipped with anti-ship and anti-aircraft missiles.

He said the money earlier earmarked for the Navy's modernization would only be enough to pay for the downpayment of six AFCs.

He said they had to forgo the two FACs to get the two LSVs—to replace aging transport ships.

Armed Forces of the Philippines chief of staff Gen Lisandro C. Abadia had reportedly proposed the discarding of the acquisition of the LSVs to use funds for eight FACs instead.

Nevertheless, Admiral Dumancas said they will be tapping different shipbuilders for comparison for future contracts.

Laurel Asks for Amnesty for Military Rebels

HK2609064991 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 25 Sep 91

[Text] Vice President Salvador Laurel has asked for a general amnesty to be given to all rebel soldiers of the Reform the Armed Forces Movement-Soldiers of the Filipino People-Young Officers Union [RAM-SFP-YOU]. This request was made by Laurel in support of dialogue being conducted by House Speaker Ramon Mitra Jr. and General Lisandro Abadia, Armed Forces of the Philippines [AFP] chief of staff, with rebel soldiers headed by former Lieutenant Colonel Gregorio Gringo Honasan. Laurel stressed that the talks between the two sides will result in the unity and strengthening of the military organization. The vice president hoped that the dialogue was not only for show, but rather was something which would strengthen the AFP and lead to national reconciliation.

According to Laurel, he also hopes that President Aquino and Congress will seriously consider giving all rebel soldiers a general amnesty as stated in the Constitution. Laurel added further, that if the government does not carry this out it is possible that the efforts they have made would be futile.

Meanwhile, several detained rebel soldiers accused several politicians of ruining the on-going negotiations between the government and the leaders of the RAM-SFP-YOU. The detained rebel leaders clarified that the reason they joined the coup attempt last December 1989 was because they did not want politics to muddle the AFP. However, the politicization of some corrupt government officials is now recurring. They expressed frustration over Gringo Honasan's meeting with House Speaker Ramon Mitra Jr., because politics might muddle the government's efforts at national reconciliation.

Ramos Urges Caution in Mitra-Honasan Talks

HK2609063791 Manila PHILIPPINE DAILY INQUIRER in English 26 Sep 91 pp 1, 9

[By Joey Ybanez]

[Text] Dipolog City—Former Defense Secretary Fidel V. Ramos yesterday cautioned Armed Forces Chief of Staff Gen. Lisandro Abadia and Speaker Ramon V. Mitra to be careful in dealing with fugitive coup leaders Gregorio Honasan and other rebel soldiers in the ongoing reconciliation talks.

Speaking before the members of the Zamboanga del Norte Press, Radio and Television Club, Ramos said there should be no precondition for rebel soldiers other than the fair and honorable treatment for them.

"By all means let us bring them back to the fold of the law. But let us also protect the interest of the majority, especially widows of those who were killed during the failed coup," Ramos told reporters during a press conference in the city.

In Malacanang, Executive Secretary Franklin Drilon said the Palace has nothing to do with Mitra's dialog with rebel officers.

"Everything is a Mitra show," Drilon said. "The Palace has nothing to do with it."

Ramos and Abadia briefed President Aquino Tuesday on their meetings with Honasan and other rebel soldiers. After the meeting, Abadia said Mitra will henceforth handle the negotiations for the return of the rebel soldiers to the fold of the law.

Ramos said that while he appreciated the peace initiative undertaken by Abadia and Mitra towards the rebels, there should be no pre-conditions for the rebel soldiers, "otherwise this will encourage more coup attempts in the future."

"Let us make sure that that kind of thing (coup attempt) will not happen again," Ramos added.

Ramos who was also the former Cabinet officer for regional development in Region 9 (CURD-9) [expansion unknown], was the guest of honor during the provincial disaster and coordinating council meeting called by Zamboanga del Norte Gov. Isagani Amatong, attended also by municipal mayors and military officials.

Ramos also held a brief meeting with local LDP [Struggle of Filipino Democrats] members in the province.

The former defense chief also made a brief courtesy call on Bishop Jose Manguiran of Dipolog diocese.

Soviet Communism Fall Renews Communist Debate

HK2609093491 Manila THE CHRONICLE in English 9 Sep 91 p 5

[By Ramon Isberto]

[Text] The fall of communism in the Soviet Union may ultimately force Philippine communists, who have been waging Southeast Asia's longest running insurgency war, into practising some sort of 'glasnost' of their own.

The Communist Party of the Philippines (CPP) has so far refrained from commenting on the stunning collapse of Bolshevik rule in what used to be the heartland of socialism.

But analysts say recent events may finally bring out into the open the long simmering internal debate in the CPP over strategy and tactics and its vision for building a socialist society.

The only public comment here so far has come from Satur Ocampo, detained leader of the CPP-led National Democratic Front (NDF). He downplayed last week the impact of events in the Soviet Union, stressing that it was domestic conditions that would matter more in setting the direction of the Philippine revolutionary movement.

Analysts say Ocampo's remarks were meant chiefly to counter government statements capitalizing on the worldwide retreat of communist and leftwing movements and dismissing the local communist movement as "ideologically bankrupt."

In fact, leaders of the CPP and other leftwing or socialist movements here are acutely aware of how badly their respective causes have hurt from the downfall of socialist regimes in Eastern Europe and the Soviet Union.

"These events have placed all socialists on the defensive," said Randolf David, who chairs 'Bisig' [Alliance for the Advancement of Socialist Ideology and Action], an alliance of socialist groups which have opted for open, parliamentary political activity.

For the CPP, the ideological and political dilemmas posed by events in the Soviet Union have come to them in a roundabout way.

Established in 1968 by a group of young leftwing students who rebelled against the leaders of the old communist party, the CPP was heavily influenced in its birth by China which was then in the throes of the cultural revolution.

It adopted the Maoist critique of the Communist Party of the Soviet Union (CPSU) as a revisionist party which was furtively restoring capitalism in the Soviet Union.

For CPP leaders, the Soviet Union stood at best for a badly flawed socialism. To them, the CPSU's downfall is the inevitable result of its revisionist policies.

That view continues to be voiced by Jose Ma. Sison, the CPP founding chairman who now lives in exile in the Netherlands.

"Since 1956, the USSR has been a center for propagating capitalist-oriented reforms, starting from Krushchev who made a breach in the communist system," Sison told IPS.

"After the coup, Gorbachev came out as anti-communist and as bourgeois as (Boris) Yeltsin," he added. "His plan was to liquidate anyway the revisionist communist party and turn it into a social democratic party."

That view, however, does not seem to have full support within the CPP. In its January-February issues this year, the 'ANG BAYAN' (THE PEOPLE'), a publication of the CPP central committee, the paper's editors said there are two points of view on this question.

Aside from the "restoration of capitalism" school of thought, the CPP paper said another view was that the crisis of socialism has been caused mainly by "the Stalinist distortion" which recreated a "thoroughly bureaucratized state and party machinery governed by a privileged stratum."

The same issue of the paper was remarkable for its openness, announcing a new editoiral policy that the paper would become a forum for airing various views on a broad range of issues.

The editors published an essay by Joe Slovo, general secretary of the South African Communist Party ("Has Socialism Failed?" and the final section of the 22nd CPP founding anniversary statement which dealt with developments in Eastern Europe.

Slovo was supportive of Gorbachev's policies of 'glasnost' and 'perestroyka', while the CPP statement was highly critical of them.

Informed sources say the 'ANG BAYAN' editors were later reprimanded for implementing such a far-reaching shift in editorial policy without clearance from the central committee.

Analysts say the paper's foray into glasnost journalism was a sign of how strongly the winds of debate are blowing within the CPP.

Party leaders have been hotly arguing over various issues since the CPP committed the blunder of boycotting the 1986 snap presidential elections which isolated the party from the popular movement that unseated Ferdinand Marcos and put Corazon Aquino in power.

One such issue was the proposal of some party cadres to revise the CPP's strategy of seizing power through a protracted guerrilla struggle in the countryside in favor of a more urban-focused, insurrectionary-style strategy.

But the debate over socialist models goes deper, and analysts say the CPSU's fall from pwoer is likely to make that discussion even more lively and more public than ever.

More Powers Granted Mindanao Autonomous Region

HK2609034591 Manila PHILIPPINES NEWSDAY in English 26 Sep 91 p 3

[By Reporter Dionisio Tubianosa]

[Text] President Aquino yesterday issued two separate executive orders [EO] granting the government of the Autonomous Region of Muslim Mindanao the powers and functions of two departments—trade and industry and agrarian reform—including control and supervision of their offices within the region.

The two executive orders, Nos. 481 and 482, implement Republic Act No. 6734, the law creating the autonomous region of Muslim Mindanao, which consists of the provinces of Maguindanao, Lanao del Sur, Sulu and Tawi-Tawi.

Among the DTI [Department of Trade and Industry] powers and functions transferred to the regional government under EO 481 were the following:

—Plan, implement and coordinate activities of the government related to trade, industry and investments within the Autonomous Region of Muslim Mindanao;

—Promote, initiate or conduct the annual trade and industry development conference between the government and the private sector;

Under EO 482, the DAR [Department of Agrarian Reform] powers and functions transfered to the regional government included the following:

—Advise the President and the Presidential Agrarian Reform Council (PARC) on the promulgation of executive and administrative orders, other regulative issuances and legislative proposals designed to strengthen agrarian reform and protect the interest of agrarian reform beneficiaries;

—Establish and promulgate operational policies, rules and regulations and priorities for agrarian reform implementation;

The DAR, however, would retain its adjudicatory functions until a Regional Agrarian Reform Law (RARL) has been enacted by the Regional Assembly.

All positions, filled or unfilled, assigned to the affected DAR offices would also be transferred to the autonomous regional government, and this would also apply to DTI posts.

The two orders take effect 15 days following their publication in a national newspaper of general circulation and one local newspaper of general circulation in the Autonomous Region of Muslim Mindanao.

CB To Buy Dollars To Influence Exchange Rate

HK2609034991 Manila PHILIPPINES NEWSDAY in English 26 Sep 91 p 8

[By Rexie M. Reyes]

[Text] The foreign exchange [forex] rate is expected to hover around the P [Philippine peso] 27 to $1 level for another month with the recent proposal of the Central Bank [CB] to buy dollars from the banks in exchange for $300 million worth of CB bills.

The move, a top CB official said, is aimed at increasing the liquidity of banks rather than stabilizing the peso.

However, local bankers interviewed by NEWSDAY described the move as a measure aimed at controlling the foreign exchange rate and domestic liquidity at the same time.

With this proposal, the bankers said the CB would be able to boost its dollar holdings and keep the forex rate at the P27:$1 level without "abruptly liquifying the financial system awash with cash.

A top CB official made the proposal to the operations committee of the Bankers Association of the Philippines during its meeting last Monday.

The CB will purchase the forex holdings of the banks at the rate of P27.

The 60-day CB bills will carry market rates which the banks can sell to their clients, enabling the banks to solve their liquidity problems.

The CB official, who requested anonymity, said banks are suffering from "heavy liquidity problems."

"Many banks with liquidity problems cannot sell their foreign exchange," the CB official explained. To ease their problems, the CB offered them a vehicle which will allow them to have more pesos, the official said.

Upon maturity, the CB has the option to roll over in part or in full the CB bills depending on the level of liquidity, the CB official said.

Local bankers saw this option as the CB's way to rein in the forex rate and control liquidity.

"We want that option there," the CB official said, "because we do not know how the (monetary) aggregates will come out."

With the $300-million worth of CB bills to be sold, this would mean about a P9-billion impact on the monetary aggregates.

The bankers said the use of the CB bills through this option was intended to coincide with other CB rulings such as the balancing of foreign exchange assets and liabilities.

325 Towns To Benefit From Telephone Program

HK2609112091 Manila PHILIPPINE DAILY INQUIRER in English 6 Sep 91 p 15

[By Jerry Lirio]

[Text] Telephone lines will soon be installed in 325 municipalities nationwide through a project to be undertaken by the Department of Transportation and Communications (DOTC), the Philips Communication System of the Netherlands, and the French government.

Transportation and Communications Secretary Nicomedes Prado, Philips regional manager Hendrik Ploeger and French Ambassador Olivier Gaussot yesterday signed a contract outlining a program for the delivery, installation, and commissioning of the rural telephone equipment and related infrastructure in the 325 municipalities in Abra, Cagayan, Ifugao, Isabela, Kalinga Apayao, Mountain Province, Nueva Viscaya, Northern Samar, Eastern Samar, Surigao del Norte, Lanao del Sur, Maguindanao, and Sultan Kudarat provinces.

Dubbed as the "Municipal Telephone Program (MTP)," the contract was signed in accordance with Republic Act 6846, otherwise known as the Municipal Telephone Act, which Congress passed in February 1989. It calls for the installation, operation and maintenance of at least one public telephone in every muncipality in the country.

Under the contract, one telephone line would be installed in every municipality until early 1992. This is expected to improve the country's telephone density index (TDI) from the present one telephone per 100 people, to 3.5 telephones per 100 people by the year 2000.

Despite the program, the TDI in the country would remain small compared to those in other countries. Hong Kong, for instance, has 39 telephone lines per 100 population; Taiwan, 38; Malaysia, 27; South Korea, 25; and the United Staes, 52.

The contract signed yesterday covers a P [Philippine peso] 623-million component of the MTP, financed under the Philippine-French protocol by way of a 115 million French francs (approximately P523 million) soft loan, with the government putting up a P100-million local counterpart.

It will be implemented by the Telephoniques (TRT), a subsidiary in France of the Communication System Division of Philips Electronic International.

Philips-TRT will set up on a turn-key basis the communication network which would allow the provision of public calling stations in the 325 municipalities.

Some of the telephone lines will be completed within eight months from start of construction.

Coastal Communications Project Progress Noted

HK2609104191 Manila MANILA BULLETIN in English 5 Sep 91 p B-5

[By Lynda B. Valencia]

[Text] The construction of the Sole Maritime Coastal Communications System in the country is now on-going, according to Acting Secretary Pete Nicomedes Prado of the Department of Transportation and Communications (DOTC).

Prado told the PHILIPPINE NEWS AGENCY (PNA) that the project would provide Maritime Mobile Services through the establishment of coastal stations in 12 port areas in the Philippines.

The project has a foreign funding of $17,333,333 and a local counterpart amounting to P [Philippine pesos] 50 million.

Carmelo Royeca, assistant project director for operations of the Municipal Telephone Project Office (MTPO), said the project is under the Special Telecommunications Project Management Office (STPMO) of the DOTC).

Royeca said the project's accomplishment is 56.91 percent as of July this year. The target completion date is May 1992.

The contract to proceed with the project was signed on October 25, 1990 by Oscar M. Orbos, who was then the secretary of the DOTC, and Kenzo Inoue, general manager of Tomen Corporation, Manila Branch.

Meanwhile, Roberto Evangelista, project manager, said the project is divided in two phases. Phase I is the construction of the Manila Central Station in Taguig, Metro Manila (transmitting), Bigaa, Bulacan (receiving), Mandaluyong (operation center) and the Philippine Ports Authority (PPA) in Port Area (port station).

Phase II is the construction of first, second and third class coastal stations in Cebu, Davao, Zamboanga, Puerto Princesa, Iloilo, San Fernando (La Union), Batangas, Cotabato, Cagayan de Oro, Legaspi and Tacloban.

Evangelista said the maritime mobile services by coast stations to be established are of four [as published] types, namely:

1. Manila—Maritime Coastal Communications 3:
a) Public correspondence—Communications between passenger or crew on board a ship and their respective residences or offices;
b) Port operation service—Communications between coast station and ship station;
c) Ship movement service—Communications between coast station and ship station when a ship is led to its berth and
d) Distress and safety communications—Consist of monitoring by coast stations of distress signal from ships at sea in trouble and relaying the messages to the Philippine Coast Guard (PCG) which will undertake the necessary search and rescue operations.

Safety communications, on the other hand, refers to weather broadcast by the coast stations regularly to ships at sea, transmitted by PAGASA [Philippine Atmospheric, Geophysical, and Astronomical Science Administration].

2. Manila—Maritime coastal communications 4. This also includes medical advice, notices to mariners and other special services.

The Maritime Mobile Services will operate in the following frequency bands:

1. MF band with a service area coverage of 200 nautical miles (370 kms) except in the case of Manila station where the coverage is set 325 nautical miles (380 kms) for radio and telegrams.

2. HF band coverage when the design objective is global.

3. VHF band which coverage is divided into two service categories namely: 1) the public correspondence and distress and safety communications. Coverage is set at 50 nautical miles (93 kms) except in third class station where coverage is set at 25 nautical miles (46 kms); and 2) port operation service and ship movement services coverage of which is set at 25 nautical miles (46 kms).

Thailand

Anan Interviewed on Return From PRC Trip

BK2509143791 Bangkok Army Television Channel 5 in Thai 1230 GMT 25 Sep 91

[Text] Prime Minister Anan Panyarachun and his delegation arrived at the Air Force Headquarters airport at Don Muang at about 1815 today after visiting Shanghai. Upon his arrival, he gave a press conference at a reception room on the results of his three-day visit to China. Anan said the main purpose of his China visit was to strengthen relations. The two sides also discussed economic cooperation and exchanged views on regional issues.

[Begin recording] [Anan in progress] I already mentioned that since there are no problems to be resolved between Thailand and China. My visit was to strengthen bilateral relations, to observe the real situation in China, and to exchange views on international affairs, the regional situation, and bilateral relations with Chinese leaders. The visit was for learning, listening to their views, and consulting; not for solving problems.

[Question indistinct]

[Anan] We did not discuss any particular project. We discussed ways to strengthen economic and trade cooperation in different forms, as in cooperation among Southeast Asian countries, cooperation among East Asian countries, and cooperation in developing the Mekong River. We exchanged views during our consultations. There was no agreement.

[Questions indistinct]

[Anan] We did not discuss assistance or security issues. We mostly discussed economic cooperation and ways to adopt a free market, opening up more to foreign countries, and how to increase ties with international markets. [end recording]

Regarding the Cambodian problem, the prime minister said the PRC was interested and was pleased with the progress of the settlement of the Cambodia issue, especially Thailand's cooperation in helping speed up its process.

Envoy on Investment, Trade Ties With PRC

BK2509151191 Bangkok Radio Thailand Network in Thai 1200 GMT 25 Sep 91

[Text] In speaking to reporters on Thailand-China ties, Thai ambassador to Beijing Montri Chalichan said that besides relations between leaders, ties between the peoples of the two countries have also become closer. This is proven by the fact that Chinese authorities issue visas for more than 1,000 Chinese [as heard] every month, over 700 of whom are businessmen. Thai businessmen have invested in China and have been successful. The Charoen Phokphan group of companies have invested in feedmill and chicken raising in China and have also entered into a joint venture to produce motorcycles in Shanghai. This joint venture produces about 150,000 motorcycles annually, about 25,000 more than what China produces. There are also a large number of small scale investments by Thai businessmen.

The bilateral trade value between the two countries during the past 6 months was U.S. $627 million. China's exports to Thailand were about U.S. $400 million while Thailand's exports to China were only about U.S. $200 million dollars. Regarding the problem of Thailand's trade deficit with China during the past two years, the prime minister has asked China to buy more products from Thailand in order to achieve a trade balance.

Burma Queries Move To Set Up Holding Center

BK2609005791 Bangkok THE NATION in English 26 Sep 91 p A4

[Text] The Burmese Embassy here said it was surprised by the Thai government's decision to set up a holding centre in Ratchaburi for Burmese dissidents, a senior government official said yesterday.

Deputy Foreign Minister Wichian Watthanakhun said the Burmese ambassador to Thailand called him earlier yesterday to inquire about Thailand's plan to provide temporary shelter for some 1,500 Burmese dissidents, most of them students under the protection of the UN High Commissioner for Refugees.

Wichian said he explained the centre would be set up for humanitarian reasons. Many Burmese dissidents had fled to Thailand following the bloody crackdown against pro-democracy movement in 1988 and had to live in hiding as the Thai authorities did not consider them refugees, he added.

The Cabinet on Tuesday approved the Interior ministry's proposal to set up the centre. The idea of establishing the camp for Burmese asylum-seekers was initiated by Thai law enforcement officials, who feared that the Burmese might try to carry out anti-Rangoon activities from Thailand which would offend Burma's military regime.

Wichian said although the Burmese government was not likely to protest the Thai government's move, Rangoon must be dissatified by Bangkok's offer to shelter the dissidents.

He said Thai authorities would not force the Burmese dissidents to leave Thailand.

Wichian said recently that the Burmese dissidents should not be repatriated until it is safe for them to return.

According to Wichian, All Burmese asylum-seekers will be required to register with Thai authorities before they are sent to the camp. This is to ensure full protection for the Burmese, he added.

However, many Burmese dissidents said they were wary of the idea of registering with the Interior Ministry and living in the camp for fear that the Rangoon regime would learn their identities.

Senior Thai policy-makers responsible for Thai-Burmese relations indicated recently that Bangkok was considering distancing itself from Rangoon due to domestic and international criticism. The scaling down of relations will include a cutback on exchange visits by leaders of both countries, they added.

Embassy in Phnom Penh To Begin Operation in Oct

BK2609070691 Bangkok Voice of Free Asia in English 1500 GMT 25 Sep 91

[Text] The Thai Embassy in Phnom Penh can begin operation next month with its work emphasis on trade and investment activities, Foreign Ministry Spokesman Sakthip Krairoek said yesterday. A team of officials will travel to Phnom Penh this month to finalize rental contracts for the embassy while ambassador accredited to Cambodia, Sunai Bunyasiriphan, will travel to the Cambodian capital together with Foreign Minister Asa Sarasin. The Thai foreign minister will be the first foreign dignitary to visit Phnom Penh during 20-22 November at the invitation of Prince Narodom Sihanouk, president of the Supreme National Council which is the interim authority to rule Cambodia leading up the UN sponsored general election next year. The Thai mission in Phnom Penh will be manned by a staff of six officials, whose main role will be to promote trade, investment, aviation, and banking, Mr. Sakthip said.

Retroactive Drug Protection Being Considered

BK2509153591 Bangkok Voice of Free Asia in Thai 1030 GMT 25 Sep 91

[Text] Foreign Ministry Permanent Secretary Witthaya Wetchachiwa reported on the Thai-U.S. talks concerning the problem of pharmaceutical patent protection. He said one of the two unsettled issues deals with retroactive protection. According to its latest demand, the United States wants protection to be retroactive for 10 years to cover old drugs that have not been registered in Thailand.

Witthaya said Thailand was considering one of three options: giving retroactive protection to all categories of old drugs registered in foreign countries; giving protection only to drugs registered in the United States; or giving protection to certain catagories of drugs considered essential. Officials are assessing the overall impact of the three options to see how many categories of drugs would be affected by each option. Health measures have also been prepared to help the public cope with changes resulting from the adoption of patent protection.

A legal expert at the Foreign Ministry noted that the U.S. demand for the 10-year retroactive protection for its old drugs is not in keeping with international law. No country has ever given such protection. The measure, if adopted, would generate a negative impact on Thailand.

Interior Minister Warns Parties Against Unrest

BK2609010191 Bangkok BANGKOK POST in English 26 Sep 91 p 1,3

[Text] The National Peace-keeping Council [NPKC] will not tolerate attempts by political parties to stir up unrest, Interior Minister Gen Itsaraphong Nunphakdi warned yesterday.

The warning was seen as an apparent rinforcement of Army chief Gen Suchinda Khraprayun's advice to New Aspiration Party [NAP] leader Gen Chawalit Yongchaiyut not to cause trouble among university students and politicians by pushing for a more democratic constitution.

Gen Suchinda, after a mass rally at Ramkhamhaeng University by Gen Chawalit aimed at winning the students' support for his campaign, warned that the NAP leader should not attempt to create political confusion through his campaign.

Gen Itsaraphong, who is also the NPKC secretary and deputy Army chief, said yesterday that Gen Chawalit was a politician and was only acting like one for his own benefit.

"We (the NPKC) will perform our job. And we will not tolerate anyone trying to cause hardship or troubles for the people and the country," he said.

The interior minister refused to elaborate on NPKC Chairman Gen Sunthon Khongsomphong's reported comments that Gen Chawalit should be left alone.

"It's Gen Sunthon's personal opinion," he said.

The minister said the NPKC and Government shared responsibility for ensuring the peace of the country and they had nothing to do with politics.

"Political parties should concentrate on their responsibilities and should not waste time criticising the NPKC and Government."

He denied Gen Chawalit's claim that the NPKC was responsible for the prevailing political confusion.

"The NPKC is responsible for ensuring that the rules and regulations are respected. We are not politicians," he said.

He added that Gen Suchinda, in his capacity as NPKC vice chairman, had warned the NAP to stop its agitation.

Gen Itsaraphong said the Interior Ministry was responsible only for approving requests to register political parties; it did not oversee their political conduct.

On other subjects, he confirmed that the Green Northeast Project would not be extended when it expires next year, but rejected allegations that the decision was aimed at denying the NAP a chance to take credit for the project during the lead-up to the next election.

As chairman of the Army-led project, he also said the relevant government agencies would have to carry on with the development work when the Green Northeast Project is concluded.

"This (Green Northeast) project is for the well-being of the people and has nothing to do with politics," he said in an unstated denial that the ending of the project was a political tactic aimed at undermining Gen Chawalit, the project's architect.

The minister said the Army has decided against extending the project because it had achieved its goal of developing sources of water for people in the region.

He said the success of the project had been assessed by a neutral agency hired by the Government.

The Green Northeast Project involved 45 government agencies with the Army serving as coordinator.

The Government hopes to boost the region's irrigated farmland from 1.3 million rai to four-five million rai, to create 4.7 million rai of forest and to raise the region's per capita income from 8,000 baht to 15,000 baht.

Gen Itsaraphong said the Government would extend the project itself if it felt it necessary.

Other projects to develop the Northeast have been included in the 7th Plan so there is a continuation of efforts to improve the well-being of Northeastern people he said.

Poll Shows Four Top Contenders for Premiership

BK2609011391 Bangkok BANGKOK POST in English 26 Sep 91 p 1

[Text] Prime Minister Anan Panyarachun, Army Commander-in-Chief Gen Suchinda Khraprayun, Bangkok Governor Chamlong Simuang and ex-army chief Gen Chawalit Yongchaiyut have emerged as the top contenders for the next premiership based on a recent poll.

The Shinawatra Computer and Communications Group conducted the survey from September 1-10, and received a total of 3,080 completed questionnaires from people aged over 19 from 20 provinces in the South, North, Northeast and Central area, including Bangkok.

Group Senior Executive Vice President Niyom Purakham said yesterday the respondents were asked to name those they thought best qualified to be the next premier based on their knowledge, capability, leadership abilities, honesty, international credibility and coordination skills.

Dr Niyom, a former secretary-general of the National Statistics Office refused to say which of the four contenders was most favoured. Other listed contenders received less than 10 percent of the vote.

The poll showed 52 percent felt the next premier should be an elected MP, while 45 percent did not think it necessary. Seventy-eight percent felt next February or March was neither too late nor too early for a general election, whereas 16 percent thought it was too late.

Among the Bangkok respondents, 29.7 percent favoured larger constituencies with a miximum of seven MPs. This was opposed by 66.9 percent.

In the provinces, 45.1 percent favoured larger constituencies and 52 percent were opposed,.

Seventy percent felt the current level of 270 senators was appropriate, with about 75 percent saying senators whould be given more power, including the power to grill Cabinet ministers in Parliament or initiate no-confidence debates.

Eighty-two percent of respondents have kept up with developments on the drafting of the constitution through the media, but only 8.7 percent admit they are pursuing the matter seriously.

Governor Chamlong, commenting on the poll, said that it might influence his decision as to whether to contest the election.

He said he needed time to consider the matter, noting that there were both opponents and supporters of him contesting the election.

Previous surveys during the Gen Prem Tinsulanon and Gen Chatchai Chunhawan administrations favoured Maj-Gen Chamlong as the next premier.

But Maj-Gen Chamlong, the leader of the Phalang Tham Party, said popular support alone was not enough to make a person prime minister.

"There must be other factors," he said, citing vote buying, influence and the election among other things.

Despite his popular support, he said he could not afford to be ignorant and would pursue his work ethic of: "Today must be better than yesterday, but tomorrow must be better than today."

Maj-Gen Chamlong said the poll result would probably lead to mudslinging at the top contenders from other politicians.

Vietnam

Hanoi, Beijing Reestablish Telephone Link

BK2509154291 Hanoi VNA in English 1418 GMT 25 Sep 91

[Text] Hanoi VNA September 25—The telephone line between Hanoi and Bejing has been restored after more than ten years' disruption.

Other telecommunication services between the two countries will also resume through Intelsat 60E.

Besides, communications by cable and uninsulated wire will be established at the border provinces.

Up to early September this year, communications between Hanoi and Beijing had been effected through a third country.

Forced Repatriation of Boat People Considered

BK2609112591 Hong Kong AFP in English 1118 GMT 26 Sep 91

[By Andrew Sherry]

[Text] Hanoi, Sept 26 (AFP)—Talks on the boat people problem were extended for an extra day here Thursday as Vietnam weighed the possibility of accepting the forced repatriation of non-refugees, sources close to the negotiations said.

Senior officials from Vietnam, Britain, Hong Kong, the United Nations High Commissioner for Refugees (UNCHR) and the International Organization for Migration (IOM) would conclude their discussions Friday.

The British and Hong Kong delegates had been scheduled to leave for Hong Kong aboard a chartered airliner that touched down in Hanoi Thursday carrying the 10,000th boat person repatriated from Hong Kong since the March 1989 start of the UNHCR's Voluntary Repatriation Program.

UNHCR is planning to change the name to the "Orderly Repatriation Program," one source said, in another sign that the forced repatriation of boat people who do not qualify as refugees may soon get an international green light.

Vietnam and the United States have so far objected to forced repatriation, clashing with Britain which argues that boat people who do not qualify as refugees should be treated like any other illegal immigrants and sent home.

"We have 19,000 illegal immigrants who... are going to have to go home. Not just voluntarily, they're going to have to go home," said Hong Kong Refugee Coordinator Clifton Leeks.

The compromise proposal of transfering them to U.N.-managed holding centers within Vietnam has been placed on a back burner at talks here following a cool reception from Hanoi, a Vietnamese source said.

"I think it is absurd to have camps for Vietnamese people on Vietnamese soil," said Tran Hanh, director of immigration at the Vietnamese Interior Ministry.

Hanh did not attend the talks that opened here Monday, but the Vietnamese source confirmed that Hanoi had expressed serious reservations about the holding center idea.

He said Vietnamese authorities preferred to be in charge of the resettlement of returning boat people—albeit with international aid—including those sent home involuntarily.

The Vietnamese "are moving toward accepting non-voluntary repatriations" but are very sensitive about the words "mandatory" and "forced" because of international opinion, the source said.

Hong Kong's repatriation in December 1989 of 51 boat people who had neither volunteered nor objected to repatriation caused an international outcry, with Washington expressing concern.

British and U.S. officials have had contacts on the boat people issue this week at the United Nations General Assembly in New York, Leeks acknowledged.

British and U.N. officials would neither confirm nor deny that the talks here were focusing on the possibility of forced repatriations, though they said a statement would be made at the close of talks Friday.

Hanh said that "Vietnam has not changed its mind on mandatory repatriations," but when asked if that meant Hanoi still objected, he said: "that depends on many things, including UNHCR and international relations."

Vietnam in the last few months has moved rapidly toward normalization with China, which is due to inherit Hong Kong from the departing British in 1997.

Beijing has made no secret of its wish to see the boat people question resolved, not least because the camps are a significant drain on Hong Kong's funds.

The British colony's camps house more than 65,000 Vietnamese boat people, about 5,000 of whom are certified refugees awaiting resettlement in other countries. About 19,000 others have been "screened out" and are ineligible for resettlement while the rest are awaiting screening.

The screening system was introduced as part of the comprehensive plan of action (CPA) adopted by some 30 countries in June 1989 to confront the boat people problem. It is meant to distinguish between those who fled out of genuine fear of persecution and economic migrants setting out in hopes of improving their lot.

The talks here, led on the British side by Foreign Office Undersecretary of State Andrew Burns and on the Vietnamese side by Deputy Foreign Minister Vu Khoan, represent a higher-level continuation of the CPA steering committee talks held this summer in Geneva.

UNHCR To Reduce Returnee Payment Incentive

BK2509133391 Hong Kong AFP in English 1307 GMT 25 Sep 91

[by Hoang Dinh Nam]

[Text] Do Son, Vietnam, Sep 25 (AFP)—United Nations delegates visited this northern Vietnam coastal district Wednesday to announce an end to the cash payments that have prompted entire villages to set out for Hong Kong in the past two months, local officials said.

U.N. High Commissioner for Refugees [UNHCR] regional director Jamshid Anvar and Hanoi delegate Jacques Mouchet asked authorities in Do Son and Haiphong to spread the word that UNHCR would no longer pay up to 360 dollars to Vietnamese boat people who volunteer to return home.

The top limit would now be set at 50 dollars, and only for "the most deserving cases," Anvar said.

The UNHCR first announced the decision Monday in Hanoi, saying the incentive scheme had backfired and prompted thousands of northern Vietnamese to strike out for Hong Kong simply to get cash from the UNHCR and return home.

"It's easier to travel to Hong Kong from here than to travel to Ho Chi Minh City," in southern Vietnam, said a Do Son district official, Hoang Lam Sinh.

He added that the number of departures for Hong Kong had soared since August, when people saw friends and acquaintances who had left for Hong Kong in June coming home on UNHCR charter flights with pockets full of dollars.

"In recent days, there have been thousands of departures from this district. Whole villages have been leaving," said a Haiphong municipal official who accompanied journalists to Do Son, 20 kilometers (12 miles) southeast of Haiphong port.

The UNHCR repatriation scheme was introduced in March 1989, but it has only taken [word indistinct] recent months, with more than 1,000 boat people coming home from Hong Kong in August alone.

But the relative wealth of the returnees has provoked even more departures, with 1,774 boat people arriving in Hong Kong in the first 20 days of September alone.

One woman in Do Son, Dang The Thanh, said she had returned home from Hong Kong last week after being offered 1 [word indistinct] dollars from UNHCR, though she said she left in hopes of resettlement abroad and not for money.

For their 10-year-old son Nguyen Quang Huy, it was the second round trip to Hong Kong, following a one-year stay in 1989-1990 with his uncle.

"I went with my uncle. When my uncle left I left," he said.

Thanh said she and her husband were without jobs in Vietnam, and planned to use the UNHCR funds to buy a fishing boat.

"The fundamental reason is economic difficulties," said Do Son district chairman Danh Van Hai.

The UNHCR announcement was first broadcast on Vietnamese television Tuesday.

"Today, boats left for Hong Kong," said Sinh, but he added that he did not know how long the lull would last.

"If the United Nations gives everyone in this town 200 to 300 dollars, I can guarantee no one will leave for Hong Kong," he said with a laugh.

Officials from Vietnam, Britain, Hong Kong, the UNHCR and the International Organization for Migration were to conclude four days of talks in Hanoi on Thursday on means to speed up the return of boat people who do not qualify for refugee status.

Joint Venture To Produce Silk for Export Noted

BK2509154391 Hanoi VNA in English 1422 GMT 25 Sep 91

[Text] Hanoi VNA September 25—The privately-run Dinh Xang Sericultural Company (Dixaco) in Ho Chi Minh City has worked out an investment project for industrial production of silk yarn for export.

Under the project, Dixaco will enter into joint ventures with foreign companies to build a filature in Binh Thanh District to produce 20-22 denier silk yarn for export. The mill with a capacity of 90 tons a year will be built with an investment capital of US dollar four million of which the Vietnamese side will contribute 30 per cent.

Vietnam has a long tradition of mulberry growing and silworm breeding with a skilled workforce. The Vietnam Union of Sericultural Enterprises (Viseri) has been established to co-ordinate activities in the production and export-import of silk fibre. Vietnam has so far exported silk fibre to Hong Kong, India, Japan and the Soviet Union, and silk fabric to Hong Kong, Mongolia, Poland and Yugoslavia. Silk fibre output of the whole country reached 500 tons in 1990 and is expected to rise to 2000 tons in 1995.

Italy plans to invest USD [U.S. dollars] 6 million in natural silk production in Vietnam.

Ba Dinh Holds Party Organization Congress

BK2409074991 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 20 Sep 91

[Text] Ba Dinh, the first precinct in Hanoi, held its 20th second-round party organization congress from 18-20 September. Attending the conference was Comrade Pham The Duyet, member of the party Central Committee Political Bureau and secretary of the Hanoi municipal party committee.

After becoming thoroughly informed of those essential viewpoints of the resolution of the seventh party congress and on the basis of correctly evaluating the actual results obtained in carrying out the renovation over the past three years, from 1989-91, the congress discussed and decided on those major tasks to be carried out by the party organization during the five-year (1991-95) period. The congress set the course of actions to be followed by the district's economic mechanism in the next five years, which covers such areas as industrial, small industry and handicraft, trade, services, and export. In the immediate future, it is necessary for the precinct to rearrange various state-run economic establishments belonging to the central and local levels and to concentrate on overcoming difficulties regarding capital, equipment, and markets, and to dissolving those weak establishments unable to continue to exist. Furthermore, the precinct should strive to exploit its latent potential and strength, and encourage and create more favorable conditions for developing private economy and family economy by promoting increased production, processing, and service activities while bringing into full play various forms of vocational training. It is necessary to provide youths with vocational training to solve the current unemployment situation.